

JPRS 77353

9 February 1981

East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2091

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BRIEFS

1980 AGRICULTURAL PLAN STATISTICS--CSSR gross agricultural production reached Kcs 84.6 billion in 1980, Kcs 4.8 billion higher compared with 1979. Plant production reached Kcs 37.5 billion. In spite of increased agricultural production in 1980, it was 0.8 percent below the plan. An average yield of 4.13 tons per hectare was achieved in production of cereals, 1.2 percent above the plan and 16.7 percent higher compared with 1979. In the West Slovakia and South Moravia Kraj the average yield was more than 5 tons per hectare. The procurement plan for rapeseed and cereals was fulfilled, but 33.3 percent of potatoes were not procured. Compared with 1979, procurement of grain for fodder was higher in 1980. Average yearly yield of milk per cow reached 3,089 liters in 1980, total milk production registering an increase of 237 million liters compared with 1979. Average egg production per hen was increased to 228 eggs compared with 224 in 1979. Daily weight increase in cattle was 0.72 kg compared with 0.71 kg in 1979; in hogs 0.516 kg compared with 0.505 kg in 1979. Total of 1.73 million tons of chemical fertilizers were delivered to agriculture, which represents 253 kg of pure nutrients per hectare. Irrigation took place on 16,000 hectares and 57,000 hectares were drained. Total production of timber reached 18.5 million cubic meters, an increase of 119,000 cubic meters compared with 1979. Of the timber production 41 percent came from forests hit by natural calamities. [Prague ZEMEDLSKE NOVINY in Czech 23 Jan 81 p 1]

CUBAN SUGAR CANE PROCESSING--Between mid-February and mid-May 1981, Prague Sugar Refineries plants in Melnik, Cakovice and Kostelec and Labem expect to process 80,000 tons of sugar cane imported from Cuba [Prague ZEMEDLSKE NOVINY in Czech 20 Jan 81 p 4]

CSSR MOTOR VEHICLE PRODUCTION--During the Sixth Five-Year Plan, Czechoslovakia delivered 697,000 passenger cars for the private consumer market. In the past 6 years, overall motor vehicle production increased 136 percent, the CSSR motor vehicle industry producing 881,000 passenger cars, over 204,000 trucks, about 14,000 buses, 622,000 motorcycles and more than Kcs 6 billion worth of spare parts. Production of the motor vehicle industry during the Seventh Five-Year Plan will increase 35 percent, producing 769,000 passenger cars for private consumption. Exports to socialist countries will amount to Kcs 48 billion and to the West over Kcs 12 billion. In 1980, Czechoslovakia attained the ratio of 1 car per 6.4 persons. [Prague SVOBODNE SLOVO in Czech 20 Jan 81 p 4]

GERMAN DEMOCRATIC REPUBLIC

STOPH, MITTAG ADDRESS 12TH PEOPLE'S CHAMBER SESSION ON ECONOMY

Stoph on 1981 Plan

East Berlin NEUES DEUTSCHLAND in German 18 Dec 80 pp 3, 4

[Speech by Willi Stoph, chairman, GDR Council of Ministers, to the 12th session of the People's Chamber on 17 December 1980 in support of the law on the 1981 economic plan: "Our Dynamic Economic Growth Is Closely Linked with the Initiative of the People"]

[Text] Dear Deputies!

The law on the 1981 economic plan which is before the People's Chamber today for its deliberation and decision-making initiates the first year of a new five-year plan. This is a year of a great event in the life of our people because in a few months our 10th SED Congress is going to stake out the next sector of our joint course in the further shaping of the developed socialist society in our republic.

The 13th SED Central Committee plenum that was held recently was marked in its entirety by the great work the working class party and all the people are performing in preparation of the 10th party congress. We are resolutely carrying on the proven course of the eighth and ninth SED congresses. Just before the year comes to an end we may venture to say that the production and performance targets assigned for 1980 in industry, construction, agriculture, transport and other areas of the economy are being met and surpassed.

Millions of Citizens Achieved Great Feats Through Competition

The commitments assumed for exceeding the state plan quotas in industrial commodity production by a 2-dry output at the scale of the economy are being met. All that became possible through the creative initiatives of millions of citizens, their indefatigable dedication and great achievements, for which we like to thank from this rostrum of the People's Chamber especially the workers class as well as the other working people, urban and rural, with all our heart.

Next year's draft plan again evolved as the result of broad discussions. The working people in the combines and enterprises, the work collectives in industry,

construction, agriculture and all other domains of our public life have taken part in them. They submitted more than 1.2 million suggestions so as to create through a rapid increase in our economic capacity the preconditions necessary for safeguarding our material and cultural standard of living and its gradual further development. Powerful impulses for economically strengthening our republic emanate from the SED, our society's leading force.

Inspired by the communists' initiative, the competition movement, under the slogan, "The best for the 10th party congress! Everything for the well-being of the people!" has assumed an unprecedented scope. The creative work of the working people and the socialist competition as organized by the trade unions are aimed at creating the most favorable starting conditions for the new plan-year through high achievements in these days and weeks.

Stable Development of the Workers' and Farmers' Power

This is socialist democracy in action! In no capitalist state the working people in production, as the sphere of greatest importance to human life, possess such rights. But precisely those who like to deny the workers in their enterprises even the plain right to have something to say about it presume they can teach us lessons. We can well do without them, as our own development indicates. The workers and farmers power develops stably and dynamically in the GDR. Faithful to our Constitution, the parties and mass organizations in the National Front, led by the party of the workers class, the SED, unite all forces of the people in joint efforts on behalf of the further shaping of socialist society.

Whereas the GDR citizens live in social security and safety and need not worry about their jobs or about tomorrow, capitalist countries are engulfed in another economic crisis. It is going to exacerbate further the long lasting economic, political and social tensions and contradictions affecting the working people through chronic massive unemployment, fear of existence and rapidly increasing inflation. Many of our citizens know of those capitalist conditions only by hearsay because they were born and grew up in our socialist state.

Socialism and peace belong inseparably together. The preservation and permanent safeguarding of peace is and remains the question of life or death for mankind. Therefore the preservation and strengthening of peace always is the focal point of SED foreign policy.

As confirmed in the most recent meeting of the leading representatives of the Warsaw Pact member states, the international situation continues full of tension and complications on this threshold into the new year.

Imperialism refuses to reconcile itself to inescapable historic realities. It aims at altering the current military-strategic equilibrium by a high mobilization program unprecedented in scope. The long-range program and NATO's missile resolution as well as the so-called new U.S. nuclear strategy underscore that the aggressive imperialist circles have gone from the policy of detente into a policy of confrontation. The socialist countries, in contrast, are determined to thwart the anti-detente concept of powerful monopoly capitalist circles, marked by threats, blackmail and boycott, to prevent the risk of another world war.

In view of the growing dangers to peace and international security, the all-round strengthening of the workers and farmers state is the most important prerequisite for successfully continuing our peace policy.

The GDR will always meet all demands resulting from its membership in the Warsaw Pact and in CEPA. That also includes the military protection of socialism and its achievements in our country.

The allocations needed for economically safeguarding our national defense therefore are a firm component of next year's economic plan.

We Are Conducting the Struggle for Peace from a Secure Position

We may call ourselves fortunate in conducting the struggle for mankind's supreme value, for peace, from secure positions. As the strongest peace power in the world, the Soviet Union is the reliable guarantor for setting bounds for any aggressor. We have on our side the other fraternal states of the socialist community and other good friends and allies as well. In firm solidarity we are united with all progressive and democratic forces defending themselves against the threat to peace emanating from imperialism. We are convinced detente can be insured as the determining tendency of international development through the joint efforts of all states and peoples interested in peace, security and international cooperation. Only it does not fall into our lap but still calls for great efforts. What matters at present is, primarily, to insure the policy of peaceful coexistence among states with differing social orders to prevail and initiate concrete steps toward military detente.

In its proven manner, GDR foreign policy is and remains aimed at further consolidating the friendship and cooperation with the Soviet Union and the other fraternal socialist countries on the basis of Marxism-Leninism.

On the strength of our family of nations, the cohesiveness of the states in the socialist community, and the strengthening of their relations in all fields depends our capability in more and more effectively steering the course of international events along the tracks of peace. That then also determines the successes with socialist and communist construction in each and every socialist state. As socialist internationalists we are making a concrete contribution to the continued consolidation of our fraternal cooperation, to the all-round strengthening of real socialism. We thus also act entirely in the spirit of the most recent Moscow declaration in saying that socialist Poland, the PZPR and the Polish people, may firmly count on our fraternal solidarity and support. Poland is a socialist state, a firm family member of the socialist countries, it is our socialist neighbor.

In view of the massive accumulation of terrifying weapons of destruction by which all life on our planet could be extinguished many times over, disarmament, especially in the nuclear field, has more strongly than ever become the cardinal issue for the future of humanity. No one advocates as resolutely the diminution of armies and arms reduction as the socialist states do. That conforms to the nature of our social order and is evidenced not only by innumerable recommendations but by concrete facts as well.

Paving the Way for Military Detente in Europe

Influential circles in the imperialist countries, however, oppose disarmament because the military-industrial complex, after all, gets its highest profits precisely from armaments production and will by no means do without them. To make progress, the Warsaw Pact states, through the resolutions by their Political Consultative Committee of May this year, have submitted a realistic peace program that takes account of the requirements of the world situation. The course of events of most recent times has confirmed how topical it is.

Our government is of the opinion that the Madrid conference currently being held can help stabilize detente which was set down by the Final Act of Helsinki as a long-term program for peaceful coexistence. Of particularly great value a resolution would be in the current situation to summon a conference on military detente and disarmament in Europe. The GDR opposes the efforts by the United States and its closest NATO allies to misuse the Madrid conference for the policy of confrontation and Cold War and thereby to violate the spirit and letter of the Final Act of Helsinki. Together with the other fraternal states, our republic will spare no efforts to implement the Final Act of Helsinki as an essential element of the set of European treaties and to pave the way for military detente in Europe.

The GDR will continue in the future to pay special attention to extending the cooperation with the nationally liberated states. The proven unity between peace policy and anti-imperialist solidarity will continue to govern our conduct. It is only natural that the closest friendly ties link us with those states that have opted for socialist development.

The present situation has shown again there is no reasonable, acceptable alternative for peaceful coexistence. The GDR carries on this policy resolutely. It proceeds from the consideration that each step forward on this road advances detente and restricts the chances of the enemies of detente.

The recent visit by SED Central Committee General Secretary and Chairman of the GDR State Council Comrade Erich Honecker to the Austrian republic unequivocally underscored the great value of good relations between socialist and capitalist states, not only in the bilateral sense, but for sanitizing the international climate altogether. The outcome of this state visit also indicated what important possibilities there are for developing our cooperation, if the partners let themselves strictly be guided by the basic principles of international law, especially by mutual respect for their sovereignty.

In view of the exacerbation of the international situation, the speech in Gera by SED Central Committee General Secretary and State Council Chairman Comrade Erich Honecker is gaining still greater importance for GDR domestic and foreign policy. This also applies to our relations with the FRG. We are forming our relationship with the FRG in accordance with the principles of peaceful coexistence and are seeking normal, mutually advantageous relations as we maintain them with many other states on the earth. Prerequisite to its normalization, however, is that the FRG too will proceed, without reservation, from there being two sovereign states with differing social orders. That includes renouncing all interference with the internal affairs of the GDR and its relations with third states and renouncing any policy in conflict with international law.

We gauge the actual willingness of the FRG government for normal relations especially against its readiness for strict regard for GDR sovereignty. That applies particularly to the recognition of the FRG-GDR border as the national border, the respect for GDR citizenship, and the exchange of ambassadors.

The GDR will continue to let itself be guided by reason and good intention. Yet we shall also continue to rebuff rigorously, as we have done, any attempts at interference in the internal affairs of our sovereign state.

Let me assure all peace-loving nations from the rostrum of this distinguished house: the GDR will always be a reliable partner in the struggle for peace and international security. Together with the other states in the socialist community it will increase its efforts in providing new prospects for the cause of peace and detente on the European continent.

Sound Foundations for Continuing the Main Task

The year 1980 also ends a 5-year period in which our socialist economy has accomplished another important upswing and has successfully continued our policy for the well-being of the people. The material-technical base of our economy was modernized and extended in essential domains. Our scientific-technical achievements have helped further deepen our socialist intensification and tap new sources for the efficiency and quality of labor.

Extensive measures of the SED's sociopolitical program have been implemented which have visibly improved the working and living conditions for the citizens in our country. None of these achievements have fallen into our lap. They were attained through hard and creative work.

The 1981 economic plan is aimed at the continued all-round strengthening of the GDR. This plan carries on the main task in its unity of economic and social policy, as posed by the SED Program. The prerequisites for it are sound.

Crucial for it mainly are the initiative and dedication of the workers class, the cooperative farmers, the intelligentsia and all other working people. But we also have a well developed scientific-technical potential. Important possibilities for a more complete utilization of all the potentials and reserves in our people-owned economy derive from using the advantages given by the formation of the combines. And not last, the deepening of socialist economic integration with the USSR and the other CEMA countries guarantees secure advances for us.

The 1981 plan focuses on our continuing our dynamic economic development. Increasing growth is socialism's answer to the challenge of the 1980's. Our alternative marks a radical opposition to the so-called solutions offered to the peoples in the capitalist countries, reflected in a zero growth--and what a grotesque coinage by bourgeois economists that is!--, in stagnation and even in declining real income.

How is the economic strategy of the party and government being implemented?

The basic issue is the acceleration of scientific-technical progress and its extensive application in production.

Our investment capacity has to be concentrated on projects of the greatest economic benefit. Measures for renewal and modernization, reconstruction and rationalization have top priority.

The scope and speed of our further advance depend on the success with socialist rationalization at the whole breadth of the economy. The use of microelectronics, electronic control and computer equipment, and industrial robots crucially determines the efficacy of our economic activity.

We seek new dimensions in the materials and energy economy so as to insure higher production growth rates and an increased national income through a volume of energy sources, raw materials and working materials that, for all intents and purposes, remains the same or grows but slightly.

Everywhere we must struggle for a disciplined fulfillment of export tasks. That calls for prudently organized scientific-technical work, rapid reaction to the requirements of foreign markets, market preparation in good time, and much lead time for contracts.

Rational use must be made of imports throughout the entire economy.

It is important resolutely to apply the principles of socialist economic management in all domains of public life so that everything the working people have produced can be used with the highest benefit for the good of the people.

Skilled management and planning must provide the full development of the working people's creativity.

National Income Rises to 105 Percent

Proceeding from our growth-oriented economic policy, the draft law on the 1981 economic plan before you provides for increasing the produced national income to 105.8 percent and our labor productivity to 105 percent. The population's net monetary income and the retail trade turnover are to go up to 104 percent each. The population is to receive 174,500 newly built or modernized apartments, which makes a 7-percent increase over what had been planned in 1980.

The SED Central Committee, in passing the draft plan at its 13th session, and the Council of Ministers are of the view that the tasks assigned are demanding yet realistic.

The most important prerequisite for success is a still greater attention to improved efficiency and quality of all labor. Our reality is found mainly in the awareness and strength of the workers class which, through firm alliance with the cooperative farmers and in comradely cooperation with all other forces united in the National Front, is advancing with confidence along the proven path of socialism. Proceeding from the example given by the working people in the VEB Combine Carl Zeiss Jena, and from the general rules drawn from their campaign position in the Gera speech of SED Central Committee General Secretary Comrade Erich Honecker, an extensive initiative and motion of commitment is evolving

throughout the entire economy. That is aimed at exceeding the plan targets for 1981 and accomplish an additional daily output even prior to the 10th SED Congress.

Crucial for the performance improvements needed is the acceleration of our scientific-technical progress at an unprecedented rate and its fast and extensive use in production. R&D ways and means are to be concentrated on those top priorities that are essential for the further intensification of the economy. Here we principally focus on top achievements that determine world standards in which, with the raw materials available and a reduced consumption of material and energy, the greatest possible use value is achieved and export capacity can be strengthened.

Important also is the development and application of new procedures that conserve energy, material and working time and of technologies that facilitate labor productivity improvements above and beyond ordinary measures. Altogether, through implementing the science and technology plan, the investment plan and other rationalization measures in industry and construction, 450 million working hours are to be saved. That amounts to a labor capacity of approximately 250,000 workers. Fulfilling the science and technology plan for 1981 also involves solutions the effects of which extend to the far distant future. We are asking the scientists and engineers, all innovators and youth to commit themselves with their knowledge and skills, with their spirit of invention and their whole personality, to the creative solution of these tasks.

Higher Refinement for Raw and Working Materials

Within the scope of our scientific-technical tasks, a high rank also is assigned to reducing the specific consumption of economically important energy sources and of raw and working materials. Those collectives, designers and working people are doing the right thing who create the prerequisites needed for it by providing the available raw and working materials with a higher degree of refinement, crucially improve the volume-performance ratio, and elaborate and apply progressive material consumption norms.

Correct also is the realization which has been expressed ever more strongly in recent weeks and months during the plan discussions and in the competition: each improvement in the quality of commodities, and in the technical reliability and their working life is tantamount to material conserved and to the reduction of production consumption. This at once also greatly decides whether our products can be sold with benefit on the international markets.

As in all other developed industrial states, in the GDR as well a constantly increasing proportion of raw material requirements has to be met through better use made of secondary raw materials. For that reason the 1981 economic plan provides for increasing the utilization, particularly, of secondary raw materials in metal, old paper, wood chips, bottles and glasses, as well as of industrial by-products, to 107.1 percent. In this field our population is already making an effective contribution, and there is willingness to do more. But that requires for the competent organs, especially the local councils, to create good conditions everywhere for those commodities to be bought up in bulk.

Closely linked with the tasks in science and technology and in the field of the material's economy is an effective use made of investments, aimed at the acceleration of the intensification and rationalization of the economic reproduction process.

Proceeding from the national income available domestically, the investment volume used is as large as in 1980. The chief objective is to obtain by way of intensification and rationalization a greater effectiveness through science and technology. The plan provides for principally concentrating the available funds on the modernization of the material-technical base of industry and socialist agriculture and the further implementation of the housing construction program.

All fields have the task decisively to improve the effectiveness of the investments, to obtain a maximum benefit from every mark invested, and to get a much higher capacity use from the available basic assets at the same time.

Top Priorities of Our Investment Policy

In preparing and implementing all investments, the application of scientific-technical progress has to be insured. Here funds must mainly be concentrated on an extensive economic utilization of those R&D results that are crucial for the economy. That pertains in particular to a much higher degree of refinement for raw materials in chemistry, metallurgy and the processing industry and to an overall improvement of our energy and materials economy. It equally applies to an accelerated development in the production of high-grade consumer commodities.

In response to the resolutions of the Seventh Construction Conference of the SED Central Committee and the Council of Ministers, what counts mainly is to improve significantly the cost/benefit ratio in investments.

This--as many of you know from your own work--is most closely linked with reducing the share of construction. For that reason investments must be consistently aimed at rationalization and reconstruction projects.

We aim at reducing the time frame from starting to putting into operation a project by one-third or one-half. That requires, even for 1981, a concentrated use of funds and means, getting fewer projects newly started, thereby reducing the number of projects under construction at one and the same time, and reducing the proportion of unfinished investments. Today, from this People's Chamber session, we appeal to all working people involved in investment matters to aim their initiative at completing projects proper as to schedules, qualities and contracts, staying below their planned allocations, and abiding by the authorized technical-economic parameters.

The effectiveness of our efforts in science and technology and in our investment policy greatly depends on how well we succeed in orienting them to socialist intensification and rationalization. The 1981 plan assigns various tasks to that end.

Especially the objectives for the application of microelectronics, electronic controls, robot technology and modern computer technology are aimed at crucially enhance the technical and technological level of production, boost productivity and efficiency, and facilitate the working people's labor.

Main Trends in Rationalization

Other main trends in rationalization focus on using energy with highest effectiveness; applying highly productive technologies in metal working; rationalizing the output of crucial economic commodities in the ancillary industry; further electrifying the network of the German Railroad; and further boosting the efficiency of our maritime and port economy.

We attach great value to producing in the branches themselves branch-specific means of rationalization to boost the capacity of the enterprises and combines from their own resources. If general inferences are drawn purposefully from the experiences of the best combines and enterprises in this field, we can tap still greater reserves.

Through means of rationalization within the field of the industrial ministries, at least 67,600 manpower can systematically be released for different tasks. That will help boost labor productivity in the production sectors concerned faster than commodity production itself. Yet also in management, administration and production preparation, rationalization must be standard procedure in management activity. Experiences by the progressive combines and enterprises in this field tell us that we are successful especially when the working people, on a conceptual basis, are drawn into this work, the managers are heading the effort, and proven methods of scientific labor organization and of performance comparison are used.

Territorial rationalization continues to be of great importance for higher efficiency. Its possibilities must more efficiently still be utilized through close cooperation between the enterprises and the local councils. This pertains especially to the rational use of investments for thermal power plants and other heat production measures, a better use of available production areas and, not last, the working people's working and living conditions.

As indicated by the best experiences, an extensive application of scientific labor organization can tap still greater possibilities for our performance development.

Considerable reserves also can still be found in observing labor discipline and reducing modifiable downtime periods. That mainly requires of the competent managers to create preconditions for a smooth production process.

Stable working crews are very important for a rational use of the social labor capacity. Good regular working crews have evolved in many enterprises. In enterprises where there is still some fluctuation, the managers, in cooperation with the trade union, have the task to create the kind of climate in the collectives that makes people feel good and enhances their bonds with their enterprise.

Cooperation with the Soviet Union--Foundation-pillar for Our Stable Development

The 1981 economic plan systematically continues the course toward a further deepening of socialist economic integration. A foundation-pillar for the GDR's stable development is found in the economic and scientific-technical cooperation with

the USSR. It insures at once the necessary performance boost of our economy. A sound basis for it is the production specialization and cooperation program up to 1990 that was signed last year. What matters now is to carry out the research and production cooperation tasks with the USSR contained in the science and technology state plan and in the combine plans, so that thorough joint scientific-technical achievements new products, technologies and procedures can be developed and made useful for our economy.

Foreign Trade at Mutual Advantage

The 1981 economic plan is based on extensive GDR imports of raw materials and fuels from the USSR. They include petroleum, natural gas, rolling steel, crude iron, phosphoric raw materials, aluminum, cotton, lumber, paper and other commodities.

These raw materials not only satisfy most of our import needs, but most of them also are much cheaper than they are on the capitalist world market.

For further strengthening the material-technical base of our economy, great importance also attaches to the deliveries of installations and equipment for power plants and for metallurgy, the construction materials industry, and geology.

The GDR in turn is an important exporter of machines and installations, equipment, chemical products and consumer goods which are of importance to the USSR economy.

A solid basis for the development of our economy furthermore is our economic and scientific-technical cooperation with the other socialist countries, especially within the CEMA framework. Top priorities here are meeting the mutual contractual delivery obligations for raw materials and agricultural products and the production specialization and cooperation contracts in the metal working industry.

We are extending further our economic and scientific-technical relations with all developing countries, especially with those that have adopted the socialist course.

The 1981 economic plan envisages increasing exports of highly productive installations, machines and equipment. Thereby the GDR contributes to the consolidation of the economic independence and to the industrialization of those countries. At the same time, prerequisites are established for importing economically important raw materials and finished products.

We further seek to develop for 1981 as well our commerce with the capitalist industrial countries on the basis of equality and mutual advantage.

Raising the effectiveness of our export makes great demands on the scientific-technical level and the quality of our products, oriented to world standards, our marketing and pricing activity and our customer service on foreign markets. Our 1981 export assortments have to be structured with an eye to market demands.

The combines' general directors bear a high responsibility for solving these tasks. It also includes the sale of our products on foreign markets.

Every combine director and every enterprise head and every economic functionary, in fact, has to contribute to the fulfillment of the export tasks. Indispensable here are a wealth of ideas and flexible reaction to new requirements.

The Cost/Benefit Ratio as the Yardstick

Ultimately it is our success in improving the cost/benefit ratio that determines the success of all our economic activity. Public expenditures must be considerably reduced. For that reason the parameters of the 1981 economic plan are based on much more of a reduction of prime costs as was the case in previous years. They are to be reduced in M 100 per commodity production in the centrally managed industry at a rate of 1.9 percent, and in construction at one of 1.6 percent. At the same time, the most effective use of available resources and the most economical handling of material and financial funds are to be enforced as principles of socialist economic management in all economic fields.

In implementation of the SED and government resolutions on a systematic further development of our raw material and energy base, the 1981 economic plan is aimed at significantly boosting the extraction of domestic raw materials. What again is becoming evident is to what degree our economic growth depends on the performance by the working people in coal and energy, ore mining, metallurgy and potash, the chemical industry, geology and forestry. Through intensification and expansion, the raw coal extraction is to be raised to at least 261.6 million tons. Briquette production is to be increased to 49.4 million tons. Through the envisaged production of approximately 1.3 million tons of carbide, high-grade raw products will be manufactured, for plastics and synthetic rubber, for instance. It conforms with the strategic line on making more use of our own soft coal.

A basic task lies in reaching a higher degree of refinement for our own raw materials. The enterprises and combines in our raw material industry thereby assume a great responsibility.

On them it depends to a large extent that the demanding goals in our materials economy are reached throughout our entire economy in 1981. In the metallurgical industry, for instance, the production of material-conserving assortments therefore has to be boosted beyond and above the average.

In the chemical industry, a stronger material's economy use of the petroleum and natural gas available to us is the central concern for the most rational use of the raw materials. The production of highly refined small tonnage products, especially of accessories for the light industry, plastic and elastic accessories, organic and inorganic special products, herbicides and insecticides, is to be developed beyond the average through the application of scientific-technical results.

In 1981, the strengthening of the material-technical base of our raw material and energy economy is going to be extended systematically. Some 60 percent of industrial investments are allocated for the basic materials industry. We expect of the responsible managers that they will use these considerable funds with highest effectiveness.

The production of our machine building and of our electrical engineering and electronics is going to be raised above the average in 1981. It is to increase in heavy machine and installation construction to 105.9 percent, in machine-tool and processing machinery construction to 109.1 percent, in general machine, farm machinery and vehicle construction to 107.8 percent, and in electrical engineering and electronics to 106.9 percent.

New Products of Better Quality

These high growth rates must by no means be looked at only in the quantitative sense. They are connected with important objectives in manufacturing new products to improve the scientific-technical level and qualities for the combines and enterprises. It greatly depends on the ideas and initiatives of the workers and engineers, the innovators, inventors and initiators of socialist competition what headway we will make with the rationalization and the boosting of our productivity in the processing industry.

Machine building and electrical engineering and electronics in the truest sense of the work determine the technical and technological level of our entire economy.

The targets envisaged for the combines in the metal working industry require an acceleration of our scientific-technical progress. Through concentrating the potential available to us on top achievements, we must enlarge the proportion of products that facilitate a favorable yield in foreign exchange through export and efficient rationalization effects by being used in the GDR economy. At the same time, through further improving our technological level higher productivity must be obtained and the performance improvement must be permanently maintained.

Construction must lay the foundations for implementing the investments contained in the economic plan for strengthening our material-technical base and for fulfilling our tasks in housing construction, public education, and in the social and cultural field proper as to schedules and qualities. The 1981 plan directs the construction people, in terms of the Seventh Construction Conference, to improve the effectiveness of construction preparation and implementation significantly and to reduce prime costs. The principle that we must put into effect is to erect, reconstruct or maintain structures through smallest expenditures and in the briefest time frame which will conform to our economic requirements and to the growing demands our citizens are making on quality and structural design.

In construction, the specific consumption of rolling steel and cut timber is to be reduced by 3.9 percent and that of cement by 2.5 percent, and the daily labor time available has to be given full capacity use and has to be used efficiently.

The transport workers have the responsible task to cope with the economically necessary transports through the available funds in energy, equipment and material. That calls for more and more effective rationalization measures too. Top priorities here are further shifts of transports from road traffic to railroad lines, an increased use of domestic waterways for the transport of mass commodities, and the formation of more carpools within the framework of territorial rationalization. A coordinated and comradely collaboration of all who are involved in transportation is prerequisite to high achievements for each day. We

expect of all enterprises that they will make full capacity use of the transport vehicles available in the interest of our whole economy and abide by the loading and unloading time-schedules.

That also holds true for weekends and holidays. Through smooth commuter and students transportation, our railroadmen and bus drivers greatly help improve the working and living conditions for millions of working people and help in the full utilization of working time.

The economic plan contains the tasks for post and telecommunications, water management, territorial planning and environmental protection. Also on the working people in these domains depends the functioning of our economy as well as our supplying our population with provisions.

Increasing Agricultural Production

The 1981 plan is based on our boosting our output of agricultural products and our foodstuffs and luxury foods further. We direct the initiatives of the co-operative farmers and workers mainly at intensifying their production and, especially by a more extensive use of our scientific-technical progress and the tapping of performance reserves, improving the cost/benefit ratio also in agriculture, forestry and the foodstuffs industry.

We must increase our yields in crop production, especially in grain, potatoes, sugar beets and livestock feed, on the basis of long-range programs on soil utilization and on the acreages allocated for 1981, and through intensively working every square meter of soil. The harvesting, transport and storage of the products have to be made rational and economical everywhere.

We continue to have the highest regard for the contribution made to providing for the populace by the members of the Union of Small Gardeners, Settlers, and Small Livestock Breeders. It is important to buy up to the fullest extent and put up for trade all the products they make available, especially fruits and vegetables, eggs and meat products.

Large cattle stocks are an important result of our socialist farm policy. They form a solid basis, together with our expanding production and the rational use of fodder, for insuring an increasingly better provision in meat and meat products for the population.

The material-technical base of our agriculture and foodstuffs industry is going to be further strengthened in 1981. The investments contained in the economic plan are purposefully to be used for rationalization, particularly in the LPG's, GPG's and VEG's, for improving our performance. With it, we expect that the available and newly added machines and installations will be as fully used as possible and carefully serviced and maintained.

The accomplishments of our forestry workers are gaining increasing importance for technically and materially providing our construction and furniture industry and many other production branches with their wherewithal.

The great performance development in material production the plan envisages is indispensably prerequisite to insuring, and gradually further extending, the material and intellectual-cultural standard of living our populations has reached. This inseparable connection has been properly recognized in the plan discussions in the combines and enterprises. It was an important factor in their assuming demanding planning targets.

174,500 Apartments to Be Handed Over

The consistent policy of our party and government, aimed as it is at the well-being and happiness of the people, is impressively reflected in our way of carrying on our housing construction program. The 1981 economic plan provides for handing over to the population a total of 174,500 apartments, 117,000 newly built ones among them. That will improve housing conditions for another half a million citizens. The population of our capital Berlin is to receive 19,200 apartments.

The population's net monetary income will rise another 4 percent in 1981 in connection with production boosts and productivity improvements. For the next year, we expect a retail trade turnover of nearly M 104 billion. That would be roughly 4 billion more than in 1980.

Social Security and Safety for All Working People

The 1981 plan is based on further improvements in furnishing the population with services. Through a higher use of capacities available services are to be expanded at a good quality and waiting periods to be reduced.

Social security and safety for all working people conforms with the nature of our socialist society as much as an ever improving implementation of the right to education. The up-and-coming generation warrants all our attention.

The activities of all state organs, from the government down to the municipal and communal councils, are committed to this future-bearing basic concern. In 1981, the material and personnel conditions for public education are consistently going to be improved in conformity with the growing demands placed on our socialist school. Approximately 2,700 classrooms, 150 gymnasiums and at least 22,350 kindergarten vacancies are to be newly created. Almost 10,000 graduates will begin their work in public education institutions next year.

High demands will also be made next year on those who work in universities and technical schools.

We shall continue to give special attention to taking care of our veterans of labor. We owe them much of which we can be proud today. To further increase the scope, quality and efficiency of medical and social care, the economic plan intends to create circa 450 more out-patient medical and dental positions, another 2,000 hospital beds, another 10,600 day nursery vacancies and 3,790 vacancies in old-age and nursing homes for senior citizens. Approximately 1,150 physicians, 540 dentists and nearly 15,000 technical school graduates will begin working in public health next year. We shall continue to care for mother and child and young marriages and pay great attention to families.

Once again our socialist state makes copious material and financial funds available for consistently fostering culture and art. Thereby we meet the growing needs the citizens in our country have for high-level leisure time activities and for dealing with present-day works of art and with our humanistic cultural legacy.

As much as the working class and all working people improve their achievements so also will the artists and creators of culture make their contribution to the continued successful advance of society throughout the intellectual confrontation between socialism and capitalism.

High Achievements Starting With the First Day of Labor

Only a few days still separate us from the start of a new year, but they precisely are of special weight. Every effort that can still now be made for the fulfillment of the current plan, in terms of volume and quality, makes itself doubly paid. It creates preconditions for a smooth transition to the new plan-year and for high achievements right from the very first day of labor. We thereby gain a solid starting position for effectively attacking the higher tasks in the first year of the new five-year plan.

Many collectives have already in the last few weeks been working in accordance with the 1981 plan criteria. They have thereby been documenting their energetic support for implementing the lofty goals of this plan.

In order to continue the stable growth of economic performance throughout the first year of the new five-year plan, we need the dedication and responsible conduct of each individual, be he in central management or on local councils, be he a general director of a combine, an enterprise chief or a master workman. If everyone fully understands his task and stands behind it with full responsibility, everything can be brought to realization that we intend to accomplish on behalf of the working people through the 1981 plan. The government places its full trust in the workers class, the cooperative farmers, the intelligentsia and all other working people.

Your being convinced of the correctness of our policy, the results of which are of benefit to each individual, will lead to higher achievements.

Translating the dedication of the work collectives in the enterprises and facilities into high economic achievements requires further managerial skills on the basis of democratic centralism. The work of the managers on all levels must be aimed at constantly creating the conditions for all-round plan fulfillment and for smooth and uninterrupted production, confirmed by fulfilled marketing plans.

An irrevocable truth is this: higher demands make personality grow and release new capacities. Prerequisite to it is that every working person knows the tasks assigned to him by the plan, that is to say, that the plan is broken down in terms of what all the collectives have to do or, wherever possible, what has to be done on each job.

The success of our joint effort will significantly depend on how the state and economic functionaries are working together in confidence with the trade union managements in all matters concerned with the working and living conditions and create optimum prerequisites for the conduct of socialist competition by the trade unions. It depends on how they will, in the sense of the youth law, place confidence in the young generation, assigning responsibility to it while actively supporting the "FDJ Party Congress Initiative." It will further depend on how they promote and use the initiatives of the Chamber of Technology and of other public organizations.

Great importance next year will also attach to further extending the mass initiative of the citizens in the competition, "For More Beautiful Towns and Communities! Join-in!" The values going into the millions that are created thereby noticeably contribute to the improvement of the working and living conditions. The local councils bear a high responsibility for it.

Let me use this occasion to refer to the intended population, vocational, housing space and building structure census planned for the end of 1981. Its success will depend on the support by hundreds of thousands of helpers in the population, whom we would request to take part in it.

Combines--Centers of the Workers Class

In elaborating the economic plan, we proceeded from our high expectations of those potentials that arise from the organizational form of our economy in terms of combines. The combines received important material and financial funds from our socialist state. The largest part of our R&D potential is concentrated in them. They are the centers of the workers class as the main productive force of our society. A high political responsibility results from this for the general directors and all their associates. It implies that in all decisions for the development of one's own combine, one will always first consider the overall economic requirements, the interests of the socialist state. As each combine meets its responsibility in fulfilling the plan in all its parameters, and as we succeed in drawing general lessons from the experiences of the best, the economic plan on the whole can then also be fulfilled and overfulfilled.

The 1981 targets require that we fulfill the plan and exceed it in a target-directed manner in all enterprises and combines, all cooperatives and facilities, from the very first day, in every 10-day period, every month, every quarter, and in all positions. An important managerial criterion lies in anticipating problems in plan implementation and making the necessary decisions at the proper time.

All forces united in the National Front are preparing themselves with optimism and confidence for the 10th SED Congress. It will decide on the tasks for the continued shaping of the developed socialist society and, thus, for creating the fundamental preconditions for the gradual transition to communism.

We are convinced the economic plan in the year of the 10th party congress will become the work program for all the people.

I request your endorsement of the 1981 economic draft plan.

Mittag Speech

East Berlin NEUES DEUTSCHLAND in German 18 Dec 80 pp 5, 6

[Speech by Guenter Mittag, SED Politburo member and Central Committee secretary, to 12th session of GDR People's Chamber on 17 December 1980: "With Our Plans We Are Carrying Out the Policy for the Well-being of the People"]

[Text] Dear Deputies!

The SED fraction fully and without reservation passes on the draft laws before us on the 1981 economic plan and the 1981 state budget plan.

We are deeply gratified that through the 1981 economic plan that policy is being continued to which we have been committed since the eighth party congress, that is, nearly a decade ago. It has provided growth, stability, full employment and public prosperity for the GDR. Enormous social forces have been set free this way which allowed us to develop the advantages of socialism on a new and higher level. Out of it those impulses have grown that have made our republic blossom into a country filled with strength and optimism. Today it is more manifest than ever that the GDR is a socialist state resting on firm and unshakable foundations, politically and economically, ideologically as well as with regard to its international position. Its policy serves the well-being of its citizens and serves peace. Through our unshakable alliance with the USSR and the other Warsaw Pact states, everything is being done to insure at all times the GDR's defense capacity for it on a requisite level.

Unshakable Fraternal Alliance with the Soviet Union

It has filled the working people in our country with pride and confidence that the representatives of our fraternal countries, SED Central Committee General Secretary and GDR State Council Chairman Comrade Erich Honecker and CPSU Central Committee General Secretary and Chairman of the Presidium of the USSR Supreme Soviet Comrade Leonid Ilyich Brezhnev, when they held their friendly meeting this year on the Crimea, were able to state this: the CPSU and SED have in past decades accomplished enormous political work in the outcome of which the peoples in both countries have become allies, comrades-in-arms and friends.

The stable, unshakable foundation of our fraternal alliance includes the various party, state and sociopolitical relations as much as our close ideological cooperation and our constantly growing cooperation in the economic field. Constantly more intensively are we jointly combining the advantages of socialism with the accomplishments of the scientific-technical revolution. That conforms with the production specialization and cooperation program between the GDR and the USSR up to 1990. And it conforms with the long-range target programs on cooperation within CEMA.

Our country, the socialist GDR, does what it can to strengthen the unity of the socialist countries on the basis of Marxism-Leninism and internationalist solidarity, of equal and mutually advantageous cooperation. In full accord with the

meeting of the leading representatives of the Warsaw Pact member states, the GDR will continue to contribute in the future to the recovery of the international climate, the consolidation of peace, the continuation of the detente policy, the development of international cooperation, and to solving all conflicts by way of negotiations. We resolutely advocate the development of relations with all countries regardless of their social systems on the basis of the principles of independence, sovereignty, the renunciation of the use and threat of force in interstate relations, and we advocate strict regard for the UN Charter.

It remains for us to state, however, that the situation in the world remains tense. The arms race is assuming an ever more perilous character. The hotbeds of military confrontation and tension still exist in various regions in the world. New conflicts are evolving. The situation requires increased vigilance toward the aggressive inclinations by imperialist forces and reactionary designs to damage the positions of the socialist states, the developing countries, and the national liberation movements.

Our conviction is that through the concerted efforts of all states and nations interested in peace, security and international cooperation, detente can be insured as the determining trend in international development.

Coordinated Policy on Safeguarding Peace

Among the GDR people as among all other peace-loving people on the earth, the results of the meeting of the leading representatives of the Warsaw Pact states have caused great gratification and approval. Our special and most cordial thanks for his stand and for all the work of the GDR delegation go to its chief, the SED Central Committee General Secretary and GDR State Council Chairman Comrade Erich Honecker.

An inseparable part of the policy for the safeguarding of peace as coordinated within the alliance of the Warsaw Pact states to us of course also is the policy in line with the treaties concluded with the FRG. Comrade Erich Honecker explained the positions of principle in this matter in Gera. The 13th SED Central Committee session confirmed that in our relations with the FRG as much as in our relations with other capitalist states we let ourselves be guided by the policy of peaceful coexistence, which is of benefit to all nations. It would be a mistake to believe that, in developing these relations, we could proceed from a basis different from the already concluded bilateral and multilateral treaties and accords on them, i.e., the existence of two sovereign, mutually independent states with different social orders. That is the alpha and omega of it. It implies noninterference in domestic affairs, taking account of realities and drawing conclusions from it for practical politics.

We cannot ignore all that is contradictory in FRG policy. Verbally, it espouses a policy of detente and of safeguarding peace. By its actions it is doing a great deal, within NATO, to alter the military equilibrium to the detriment of the Warsaw Pact states. All this long-range FRG high mobilization policy is all the more dangerous inasmuch as the FRG has constantly, and recently more strongly still even, been proclaiming revanchist goals vis-a-vis our socialist fraternal countries and the GDR. This concerns in particular its intensively propagating

the doctrine that contradicts all international law of the existence of one German state within the 1937 boundaries, the hair-raising balderdash of its guardianship obligation to all Germans, and the extension of FRG laws to the GDR.

The principles traditional for relations among sovereign states have to be respected without cutting into them in any way. If the FRG does so too, we can get a continued normalization of GDR-FRG relations despite all obstacles.

Optimum Position for Starting the New Decade

With great satisfaction our people has received the unequivocal remark by SED Central Committee General Secretary and State Council Chairman Comrade Erich Honecker that, in preparation of its 10th party congress, the SED considers it most important relentlessly to continue implement the policy adopted by the ninth party congress for the well-being of and with all the people.

This orientation is the best position with which to start the next decade we can think of. We did work it out ourselves.

While crossing over into another five-year plan period it is quite justified to offer some observations on the social foundations on which the aims of the 1981 economic plan and of the 1981 state budget plan are based. This all the more so in that the economic and social targets of our plans directly express the policy pursued by the SED and actively supported by all social forces in our republic for the well-being of the people and the strengthening of socialism.

The policy on the shaping of the developed socialist society as implemented by the SED in accordance with the program adopted at the ninth party congress in every respect has proven itself practicable for a healthy development of our republic in all domains of public life. During its Central Committee sessions, our party has always provided constructive answers to requirements reaching their maturation in terms of continuity in political objectives and drawn the requisite conclusions. As shown by the results of the 13th Central Committee session, those conclusions have been and are being resolutely implemented. They also are basic to the present draft laws on the economic plan and the state budget plan for 1981.

Our Marxist-Leninist science, our continual analysis of processes taking place in life, and our confident dialog with the people enable us to do what is required for a continued uninterrupted growth of our economic performance capacity and for further implementing our policy which is aimed at the well-being of the people.

These requirements have found their compact expression in the strategy worked out at the 11th and 12th Central Committee sessions.

Those basic developmental processes were analyzed and the tasks resulting from them were assigned there which then already governed the implementation of the 1980 plan. They also form the basis for the 1981 economic plan and for what goes beyond it.

Higher Refinement and More Efficient Use of Raw Materials

The GDR economy has found itself confronted with the demand to work with a constant and in some respects even reduced supply of raw materials. It was decided not to reduce our production growth but to maintain it and even to increase it by more highly refining the available raw materials and using them more efficiently all-around. This has been a feasible course, as results thus far indicate. In the coming year further prerequisites will become effective to carry on that way with still better results.

The GDR economy was faced with the demand to keep in step with the latest developmental trends in science and technology and use them to enhance its effectiveness. It was decided, in particular, to accelerate, above and beyond the rate originally intended, the development, production and application of microelectronics.

The GDR economy had to face the demand to insure production growth not primarily through higher investments and certainly not by extensive expansion. It was decided to squeeze a greater production growth than heretofore out of every mark invested. We thus are not moving toward an unlimited expansion of investments but toward improving their effectiveness, and in that there are indeed no limits for us.

All these newly ripened issues were raised in good time, requisite decisions were at once prepared, the necessary resolutions were taken, and the best experiences were drawn upon purposefully in their implementation.

Clear Strategy--Firmly Linked with Mass Initiative

This entire SED strategy has already proven itself the correct one, and in the future likewise it will stand its test. Our firmly linking our economic policy strategy with the people's initiative makes for that.

A truly creative atmosphere is developing more and more in our republic.

It is determined by the constructive search for solutions for the further implementation of a tried and tested policy that fully conforms with the people's interests.

A penetrating social process of mobilizing the great intellectual capacities of the people is taking place that wants to live up to new demands. The high level of knowledge, embodied in the abilities of millions of citizens in our country, combines more and more with the consciousness of the basic values of our socialist society. That relates mainly to the high appreciation for any achievement produced through work because only that way, and in no other way, can the people's material and cultural standard of living be maintained and gradually be improved. We can only consume what we have produced. That is a requirement placed on our work performance. Karl Marx has said: "Any child knows that any nation would perish which would stop working not for a year, I dare say, but even for a few weeks."^{*} That much for Karl Marx.

^{*}Karl Marx/Friedrich Engels, "Werke" (Works), Dietz publishing house, Berlin, 1973, Vol 32, p 552.

We have the right and, at once, the duty in our socialist society to establish this connection between economic performance and social outcome and make each citizen aware of it.

Demand on All Working People, Workers like Ministers

It is and remains a truth germane to our socialist social order: What the people's hands create belongs to the people. Thus, among the basic values of our society at once is the care each has for increasing and protecting the people's property. The tasks contained in the economic plan and their breakdown in terms of each individual enterprise and brigade tell the individual what his share is in realizing this high public obligation.

Performing high economic achievements as demanded by the planning tasks amount to a genuine claim society has on all working people wherever they may work. It concerns every production worker as much as the scientist or technologist who provides for our productivity, or the transport worker on whom the continuity of production largely depends. This claim mainly also concerns the competent managers, on whatever level they may have to fulfill their tasks, the minister as much as the brigade chief.

We always mainly want to say that the most important thing in their activity is to make all working people aware of the reason why they have to solve the tasks set down in the plan. Then they will also develop the readiness to carry out these tasks with dedication and initiative on behalf of the well-being of all our people.

Creative work prospers best where people know that their justified cares and desires are respected. There will of course then always be things that cannot be immediately resolved at their complete range. Important is, however, that all working people always sense their remarks are taken seriously and given consideration. They have the right to receive answers about what is being changed and why one thing or another may perhaps not be possible as yet right at that moment. It is thus always a matter of a responsible dialog between our party and the people which--as we may well say--is the fundamental and decisive element of socialist democracy in our country.

All parties and social organizations bear a high responsibility for linking the thinking, feeling and actions of each citizen more and more closely with the further socialist development in the GDR.

Let us add this: this high responsibility is not going to get smaller but greater in the future. Block parties will have to assume it as much as the large class organization of the FDGB with its nearly 9 million members, our FDJ, the Ernst Thaelmann pioneer organization, the Democratic Women's League of Germany, the German-Soviet Friendship Society, the Cultural League and, not last, the Chamber of Technology, to mention only the most important ones in the broad spectrum of social organizations in our country here in this distinguished house.

Our party work is most closely linked with our country's communist future. For that reason we shall continue to support in the future the economic movements of the FDJ, the Pair of the Masters of Tomorrow, the youth brigades, the "Berlin FDJ Initiative" and "Microelectronics" as well as the FDJ's "Materials Economy" campaign. Involving youth in the practical struggle for strengthening socialism is the best way to instill communist steadfastness and high dedication in youth.

We are firmly sold on socialism and its goals aimed at the true interests of man. Our unanimous conduct lends us great social strength. With this social strength we shall successfully cope with the tasks assigned in 1980. We are certain the demanding yet realistic tasks for 1981 will also be realized with new and still greater successes.

Retail Goods Revenue for the First Time Exceeds 100 Billion

The economic and social targets in the draft laws before us reflect the continuity and thus also the dynamics in the development of our republic.

While for 1980 we had announced a 4.7 percent growth of industrial commodity production in the economy, there will be another 5 percent growth in 1981. Whereas for 1980 we had assigned a 4.8 percent growth in our national income, it will come to another 5 percent in 1981.

Anticipating a 4 percent increase in the population's monetary net income for 1980, we anticipate another 4 percent increase for 1981.

The retail goods revenue in public supplies will exceed 100 billion, go up to M 104.3 billion. Compared with 1971, that is an increase of 1.5 or as much of what it was in 1965 and 1966 together.

It means continuity and growth rates in economic performance and social outcome.

It means dynamics in the absolute production and consumption volume because behind each percentage of growth in 1981 stands a larger absolute volume than in 1980.

While there were, for example, 163,000 apartments newly to be built or modernized in 1980, in 1981 there will be 174,500 of such apartments.

That, by comparison, more than doubles the newly built and modernized apartments of 1971. In conjunction with housing construction, we also systematically continue the construction of new nursery and school facilities and the expansion and improvement of supply and care institutions. Through the new capacities allocated in the 1981 plan we bring it about that almost every other day nursery vacancy, one out of three kindergarten vacancies and also one out of three classrooms will be new.

New Demands, Increased Capacities

Steadily advancing means today, however, that tasks have to be solved by other means and in a different manner than previously. The transition of our economic

performance development into the new decade is marked by more than just a new calendar pad. Behind it are profound qualitative changes in the economic processes themselves. That is true of the intellectual and material capacities we have grown, and it is true of the ways and means in which we use them, in the sense of highest efficiency and quality. We always should look at both of them together--our increased capacities and the many novel tasks we have to solve. He who talks about changed conditions without simultaneously recognizing what is now available in unprecedented creative initiative and in new technologies and other premises misses the whole point.

The most important realization from the struggle of carrying out the 1980 plan-tasks that we are taking along into the new year, after all, is that we succeeded in tapping reserves at a scope hardly anyone could have considered possible at the start. And when one inquires about the causes for it, the pithy answer we can give is this: the implementation of the plan was conducted as a political process. It means that the most difficult tasks were resolved through the active participation in thought and action by millions of working people who feel firmly tied to our socialist state.

What then are our handles for tackling the 1981 tasks?

Optimum Use of the Great Potential

By the end of 1980 our economy has a basic assets volume valued at more than M 700 billion. Within the last decade the basic assets in our economy grew by M 250 billion, that is, 34 percent. In industry this growth came to 83 percent, in agriculture and forestry to 64 percent, and in the construction industry it more than doubled. In addition, the basic assets volume is of an entirely different quality today.

Automation equipment in industry alone came up to 49 percent in 1980. Ten years before it lay just above 33 percent. Circa two-fifths of all industrial equipment is at most 5 years old.

These are extremely favorable material starting conditions. These are enormously grown potentials the correct use and suitable utilization of which are among our decisive tasks so as to pursue higher efficiency and labor-quality targets in 1981 and subsequent years and obtain a far more favorable cost/benefit ratio. That holds true for the work in each enterprise and each combine, each cooperative and each science institution. They all are under the requirement to make much better use of what they have got for higher economic yields.

The possibilities available for increasing our economic performance capacity in 1981 will be expanded by the use of an investment volume at a magnitude of M 51.3 billion. This investment volume is larger by one-third than it was in 1971. This increase is tantamount to the total investment volume in the industrial field in 1970. The most important thing now is to use these enormous means so that always, per project, the highest benefit for the economy as a whole is obtained through the lowest expenditures on behalf of a continued systematic improvement of the working people's working and living conditions.

In looking at these, in principle, new possibilities, we also consider the decisive prerequisites for the optimum use of this economic and science potential provided by the higher educational level of the workers class, the cooperative farmers and the socialist intelligentsia.

The Educational Level--A Great Achievement

Some 80 percent of those who work in our economy has a complete education, 19 percent of it completed a university or technical school. Ten years ago, the proportion of working people with a complete education was 61 percent, and only 12 percent had completed a university or technical school.

Especially this higher educational level of the working people in the last decade is a great achievement of real socialism. It is a crucial basis for still more consistently directing the initiatives and creativity of our people at improving the economic effectiveness of science and technology.

That mainly means solving the task of accomplishing the required performance improvement by providing optimum refinement for raw and working materials. The SED calls the attention of all working people to obtaining higher labor quality and efficiency in all fields.

A higher degree of refinement for our domestic as well as imported raw and working materials, be it in the coal industry, coal-carbide chemistry, the petrochemicals, metallurgy, the glass industry or agricultural production, is a campaign task of the first rank the realization of which has to be supported by high scientific-technical achievements in the development and production of new products and technologies. That is an entirely new qualitative criterion for economic development. It is not, as is sometimes claimed, a transitory phenomenon but a basic feature of future development as well.

At the 13th SED Central Committee session, the Central Committee Politburo was able to make the highly important pronouncement already that in 1980 our economy for the first time managed a greater performance growth while reducing energy consumption in industry, construction and agriculture. This labor accomplishment has to be carried further in 1981 with still greater results, and still more extensive conservation has to be obtained. By science and technology measures alone therefore more than 80 percent of the requisite material and energy conservation is to be insured. It means, for example, reducing electrical energy consumption by nearly 1.2 billion kilowatt hours through the use of scientific-technical data. For cement, the saving of 210,000 tons is the volume that is needed for newly constructing 17,500 apartments. And the 380,000 tons of rolling steel to be saved by scientific-technical measures are roughly identical with the total annual steel requirements of the two combines making power plant installations and air conditioning and refrigeration equipment.

In 1981 We Shall Produce Commodities Valued at M 232 Million Each Hour

To achieve the required economic performance improvement, labor productivity must be boosted above and beyond the normal measure. In this, the labor productivity boost anticipated for the area of the industrial ministries in 1981 is to be

implemented almost completely by scientific-technical measures. Ten years ago, in 1971, the share science and technology had in the boosting of labor productivity in industry still was only about 40 percent.

It is a matter of decisively boosting work performance per working hour.

The weight of this requirement becomes apparent by that in the economy in 1981, industrial commodities at a value of M 232 million are to be produced hourly. In 1976, performance per working hour came to M 174 million, and a decade ago-- in 1971--the volume of industrial output per working hour was but M 124 million. Today then we produce almost twice as many goods per hour as 10 years ago.

Technical Progress Is Decisive

Decisive for obtaining such a great objective is that the intensification and rationalization of production processes are advanced in a concentrated and extensive manner everywhere and the productivity of investments is significantly improved. In industry, construction and transportation, 493 million working hours are to be saved this coming year through the application of scientific-technical data. That amounts to the working time of 275,000 manpower.

All that shows how extremely important it is to accelerate scientific-technical progress everywhere. That is indeed the crucial chainlink for the continued increase of our economic performance. Science and technology are today more than ever a matter of concern to all the people. It is a matter of scientific-technical top performance for products and technologies at a broad scope for provisioning our economy and our population as well as for our export.

All initiatives in the combines, enterprises and cooperatives, in the Academy of Sciences, the universities, colleges and other science institutions at exceeding the performance targets of the science and technology plans, tackling new tasks and using them economically and extensively are of the very greatest importance. They are most decisive for tapping new performance and efficiency reserves and exceeding the 1981 plan targets. Therein lies the best preparation for the 10th party congress.

Proof for the Advantages of Socialism

Thus we shall also in 1981 continue our course of economic growth for the well-being of the people. We have created the prerequisites for it. They lie in what we have achieved in 1980. They lie in our setting the 1981 plan targets by tapping new efficiency reserves. And they also lie in a consistent focus by management and planning on highest efficiency through further consolidating democratic centralism. That concerns the application of the three basic plan parameters--industrial commodity production, net production, and prime costs per 100 marks of commodity production. It applies to perfecting our cost accounting but also to the strengthening of the managerial system of the ministries based on the combines. By all that we further develop the inexhaustible possibilities of our socialist planned economy for efficient economic management for the well-being of the people, whereby we shall also give evidence in the future to the advantages of socialism in the GDR. That is the way things are progressing in the socialist GDR.

By comparison, developments in the FRG show what prospects are in store for the working people there. Many press publications, after all, are saying: "The fat years are gone." The tenor for 1981 is pessimistic, and the question has arisen how the "zero-growth" might be distributed as fairly as possible.

The highly touted stability of the D-Mark has become shaky. More social burdens and higher unemployment figures are predicted for the FRG people. One can only marvel at the presumption and arrogance of those who, for good pay, congregate in the FRG for concerning themselves with the socialist planned economy in the GDR. This evidently keeps happening as it always did, its sole purpose being to slander the GDR. It is part of the declared policy of interference with the internal affairs of the GDR.

The GDR will continue in the future to carry out its domestic and foreign policy in accordance with the universal principles of socialism, as resolved at the ninth party congress. We find ourselves here in full accord with the Soviet Union and the socialist community of states. This course has moved us ahead and will do the same in the future.

We shall tackle the 1981 tasks under the fine slogan which expresses in few words what moves all of us: "The Best for the 10th Party Congress! Everything for the Well-being of the People!"

5885

CSO: 2300

COMPENSATION AGREEMENTS SEEN BENEFITING BOTH EAST, WEST

East Berlin DIE WIRTSCHAFT in German Vol 35 No 12, 18 Dec 80 p 29

[Analysis by Dr Gottfried Kloss, Academy of Social Sciences, SED Central Committee:
"Compensation Agreements Bring Benefits to Both Sides"]

[Text] By the final act of the Conference on Security and Cooperation in Europe (CSCE) the signatories obligated themselves, among others, to promote economic cooperation between countries with differing social systems. In so doing they presented a wide scope to the issue of the extension of the various types of industrial cooperation.

This concern serves the advance of peaceful coexistence. It is therefore a constant key issue in the party and government politics of the GDR and all other CEMA member countries with respect to the development of economic relations--based on equality and the reciprocity of benefits--with the countries of the nonsocialist economic area. The result of these resolute efforts to expand trade is reflected in the growing foreign trade turnover between the CEMA countries and the capitalist industrial countries, especially in the second half of the 1970's. In the period 1975-1979 the GDR alone was able to raise its turnover with the capitalist industrial countries to 136.5 percent.¹ At the same time this reflects the fact that there are many realistic businessmen in the capitalist countries, who--in contrast to some politicians and bourgeois theoreticians--actively seek to extend reciprocal economic relations and do not mistake the CSCE to be a one-way street for exports to the CEMA countries.

Greater use of the various types of industrial cooperation within the scope of the international division of labor allows the even more comprehensive use of the results of scientific-technological advances by the countries and enterprises involved and, as a consequence, the promotion of trade. One such type is the compensation transaction.² In connection with the rapid scientific-technological advances of recent years such transactions have assumed increasing importance for, among others, the stimulation of long-range reciprocal economic relations between socialist and capitalist industrial countries. In order to transact this type of business comprehensive supply or service contracts are concluded; sometimes they are designated compensation agreements. They serve the partial or full settlement of claims arising mainly from plant, equipment or machine deliveries--possibly coupled with licenses, know how, and so on--by delivery of goods or services, usually from the output of the capital goods supplied. It follows that compensation transactions transcend the scope of mere trade transactions and incorporate many aspects of industrial cooperation.

Some Advantages of Compensation Transactions

We already have evidence that compensation transactions

1. Ensure benefits to both partners, which--depending on the respective interests--arise in the fields of science and technology, production and management. As demonstrated by relations with the FRG this holds true also for the involvement of small and medium enterprises which account for a relatively large proportion of successful cooperation agreements with the CEMA countries;

2. Provide an important contribution to the growth of foreign trade and, therefore, the greater strength of the economy. FRG literature informs us that some 10-15 per cent of FRG exports to the CEMA countries are generated by such transactions. At the same time it is shown that these enterprises are more export intensive than others not involved in compensation agreements;

3. As a consequence of long-term agreements or enterprise contracts we tend to obtain stable long-term supply and sales relations between buyers and sellers, even beyond the settlement of the original transaction;

4. Due to the volume of business involved the multilateral participation of enterprises, banks and, sometimes, countries is frequently required. On the occasion of the international symposium of the Vienna Danube European Institute in Budapest last October, Austrian economic experts described their favorable experiences in the matter of compensation transactions with the GDR, which at the same time had stimulated third-country cooperation.

Few FRG managers or economists admit these benefits which are just as useful to the capitalist partners. In the context of the constant up and down caused by the capitalist crisis, some realistic economists and businessmen such as Ruehle von Lilienstern do indeed raise the following demand: "It is positively a matter of life and death for German firms to exploit every opportunity for cooperation with the state trading countries in every available manner."

He quotes the following reasons (among others):

- The limitations on growth in the capitalist industrial countries and, consequently, the limitations on domestic sales;
- The economic "compulsion to the achievement of certain foreign trade targets";
- "To achieve, maintain or possibly increase a certain profit margin";
- The different economic systems in world trade.

Enemies of Detente Obstructing Compensation Transactions Also

In contrast to the overwhelmingly favorable experience in the practical work with compensation transactions gained by capitalist entrepreneurs also, some bourgeois ideologists--mainly in the FRG-- have lately made greater efforts to discredit this type of internationally customary economic cooperation insofar as it involves relations between the CEMA countries and capitalist industrial countries. Usually they

fail to mention or criticize similar transactions which are quite customary among capitalist countries.

Willingly or unwillingly, these economists and ideologists lend support to the forces interested in international tension. They repeatedly dismiss compensation transactions as "stone age barter" or the barter of "machines for tomatoes," and so on, although studies published in the FRG clearly prove that some 60 percent of the compensatory goods from the CEMA countries are products of the investment goods industry necessary to the two sides.⁴ The remainder is accounted for by major compensation transactions concluded to secure the FRG's raw material base. At the same time these findings show that the socialist countries are equal partners in the field of the investment goods industry, and that it is high time to drop the hackneyed story of alleged technological backwardness, which has been repeated at nauseam since the early stages of socialist construction.

Even thorough studies of 700 FRG firms have turned up few instances of so-called barter transactions⁵ which are often cited in hostile headlines in the FRG media when compensation agreements with CEMA member countries are reported. Barter transactions represent the direct exchange of goods for goods without financial settlements or movements.

Furthermore, the daily press as well as the technical press in the FRG generally arouse the impression that only the CEMA countries ask for compensation agreements, sometimes due to their alleged "dependence on Western technology," sometimes to circumvent the "shortage of foreign exchange." Hardly ever is there any mention of the fact that major international transactions, such as those settled by compensation agreements, are usually coupled with long-term payment targets. There is also deliberate silence regarding the fact that precisely these loans are secured by long-range countervailing deliveries, safe from any crisis. They therefore do not represent "debts" in the negative meaning. They are actually a "safe bank" for the partner in the capitalist country.

Another absurd assertion frequently encountered maintains that compensation transactions tend to involve losses for the capitalist firms, or that the economy is harmed by the countervailing deliveries. Here again FRG data show that earlier compensation transactions were profitable, because 40-50 percent of all deliveries arose from the current series production of machine construction, the electrical engineering industry, chemical plant construction and the various branches of the metal processing industry. In another 20 percent complete plant is involved, and another 25 percent of deliveries represent special manufactures. As the firms cooperating with the CEMA countries are objectively interested in these transactions and, on the whole, have been financially strengthened thereby, we may assume here also that they covered the costs involved by their deliveries and, in addition, earned a profit. The opponents of compensation usually fail to mention that such conditions as profit or sales considerations or the necessity at favorable terms to secure long-term and stable raw material supplies not available in the capitalist economic area cause "even Western firms to offer compensation transactions, although to a far lesser extent than Eastern enterprises."⁶ Lately we have even noted that transactions are described as compensation transactions in order from the outset to denigrate them. On the other hand transactions of interest to several imperialist firms or an imperialist country are claimed to be "cooperation transactions" though in fact they are compensation transactions. The steel pipe-natural gas agreement or similar compensation agreements

concluded with the USSR in the raw materials sector to secure for a long time ahead the major proportion of Western raw material needs are often claimed to represent cooperation.

Bourgeois Attacks have Different Motivations

The attacks on compensation agreements are part and parcel of the confrontation line against the socialist countries. They increased immediately the FRG firms were compelled to emphasize trade with the CEMA countries, whether from business necessity, profit motives, employment or raw material considerations and when, on the other hand, certain circles did not wish to accept the corresponding imports to balance deliveries, whether for internal business considerations or the fear of the growing competition offered by the products of the CEMA countries.

Added to this are the following reasons: In the case of compensation transactions the capitalist partners no longer decide whether their deliveries should be paid for in money (foreign exchange) or the corresponding countervailing goods, because in these transactions the socialist countries have greater input in the settlement by corresponding exports. Secondly compensation agreements frustrate some import limitations and obstacles imposed on products from the CEMA countries. Attacks are therefore launched in different emphases and with the involvement of major contradictions as well as in two directions--against the CEMA member countries and the capitalist firms themselves--with the aim of canceling such transactions. In addition to open and covert attacks on the CEMA countries they point out alleged disadvantages for the socialist countries said to suffer major losses of earnings, lose old-established connections, obtain only obsolete equipment, and so on.

However, experiences gained in the CEMA countries show that these are problems liable to arise in other types of transactions with capitalist firms if, for example, the agreements were not adequately investigated, world standards insufficiently ascertained or calculations failed to be accurate. Such problems are not specific to compensation and should be resolved by improvements in marketing and internal contract preparation.

On the other hand the attacks mention several "disadvantages" to the capitalist firms and the economy as a whole. Bethkenhagen and Fink, for example, aim in particular to frighten off small and medium firms by threatening that "the establishment of a direct export-import connection...may cause the industries affected by compensation goods to be confronted with undesirable competition," and that, therefore, "interested parties" might "exert pressure with a view to the omission of exports."

Nor should we fail to mention the argument deliberately used to mislead the West German working class. This claims that compensation transactions (by the fact of countervailing goods) take away jobs and is designed to help disguise the real reasons for rising unemployment. Disregarding the fact that reciprocal trade encourages and expands production, thereby preserving jobs (demonstrated, for example, by the relations between the GDR and the Austrian VOEST-Alpine AG) and even creating new ones, the same arguments are not used against the Common Market partners.

In conclusion we may state that, from the aspect of the socialist countries, the experiences gained with capitalist firms show that it is useful further to develop compensation transactions as one type of the expansion of long-term economic relations

for the mutual benefit and by this means also more quickly to accomplish the tasks involved in the socialist construction.

FOOTNOTES

1. Even though the increase is due in part to changed prices, it is a significant result.
2. International literature uses various terms for this type of cooperation which ranges rather wide--major compensation transactions, buy back transactions, linked transactions, and so on.
3. Hans Ruehle von Lilienstern, "Kooperationspartner Staatshandel" [Cooperation Partner State Trade], Erich Schmidt Verlag, Berlin 1977, p 12. He considers compensation transactions to be a type of cooperation.
4. See Franz Lothar Altmann, in OSTEUROPA-WIRTSCHAFT, Vol 24, No 4, December 1979, pp 302-307.
5. Barter transactions are not classifiable as compensation transactions, because they do not initiate any industrial cooperation.
6. Franz Lothar Altmann, Hermann Clement, "Die Kompensation als Instrument im Ost-West Handel" [Compensation as a Tool of East-West Trade], Guenther OLZOG Verlag, Munich-Vienna 1979, p 167.
7. Jochen Bethkenhagen, Gerhard Fink, "The Federal Republic of Germany's Prospects of Trade With the East Through 1985," Reports of the Federal Institute for Eastern and International Studies, Cologne, September 1978, p 42.

11698

C30: 2300

GERMAN DEMOCRATIC REPUBLIC

DEVELOPMENT OF GDR-MEXICO TRADE, INDUSTRIAL COOPERATION REVIEWED

East Berlin HORIZONT in German Vol 13 No 46, 1980 signed to press 10 Nov 80 p 23

[Article by Axel Reschke: "GDR/Mexico: Goods Exchange for Mutual Advantage"]

[Text] Mexico rates as one of the economically strongest Latin American countries and is rapidly advancing to the developmental stage of an industrial and agricultural state. It is strongly dependent on foreign capital, with the lion's share of direct investments amounting to \$5 billion coming from the United States. The most recent count of transnational corporations operating in the country was 179. A form of state monopoly capitalism is in the process of development.

The strong state-owned capitalist sector comprises all crude oil and natural gas production and processing facilities, the power production and distribution industry and the transportation industry. In addition, the state controls more than 50 percent of the mining, metallurgical and steel industries. In contrast, the textile, leather and shoe industries, the food, paper, cement and pharmaceutical industries and other production sectors are almost exclusively in the hands of private capital.

In the endeavor to accelerate the development of the country's national economy and extend its political influence Mexico is attempting to reduce the predominant dependence of its foreign trade, which amounts to 65 percent, on the United States. Developing its economic relations with socialist countries reflects one aspect of this endeavor. In 1975 Mexico concluded a cooperative agreement with CEMA with this objective in mind.

Stable Trade Relations

Following the proclamation of a policy of diversification (by establishing diplomatic relations with more than 50 states) by State President Luis Echeverria Alvarez, who held office from 1970 till 1976, the policy pursued by current President Jose Portillo offers an opportunity for developing far-reaching trade relations with the GDR.

The GDR has had diplomatic relations with the United States of Mexico since 1973; but a GDR trade mission was already established in Mexico City in 1967. Since then the actual exchange of goods has been developing on the basis of

government agreements, such as the long-range trade agreement with its supplemental protocols. The continuous activity of the Mixed Government Commission--which was established early in 1978--also helped shape trade relations both with respect to type of goods and to organization, so that the rate of increase achieved in the volume of trade rose considerably even though the exchange of goods between Mexico and the GDR began only relatively recently.

The stable export channels which GDR combines and foreign trade enterprises have established to private Mexican industrial enterprises already have a tradition. The Diamant knitting machines and the Diamant automats, products of the Textima combine which are highly rated in Mexico, can be cited as a good example of this tradition. But there is also strong interest on the Mexican market in high quality products of the GDR printing and machine tool industries and in instruments from the VEB Carl Zeiss Jena Machines and plants built by Textima, WPM and Polygraph enterprises form the bulk of GDR exports supplemented by high quality chemical products. Of technical consumer goods the tried and proven Praktika cameras are very popular.

The State Capitalist Sector Is Gaining in Importance

GDR exports to the Mexican state capitalist sector are of more recent date and have developed and expanded significantly only during Jose Portillo's presidency. The above-mentioned agreements between the two states constituted a solid base for these exports as a demonstration of the endeavor of both parties to strengthen cooperation between the economy of the GDR and that of Mexico according to their economic potential, need and priorities.

About 25 percent of all GDR exports to Mexico are destined for the public sector. Here institutions of the Ministry of Communications and Transport ordered from the GDR not only equipment for a new radio station and other installations in the field of communications but also technical equipment used in transportation (traveling gantry cranes). Fruitful cooperation was also established with enterprises within the jurisdiction of the Ministry of Patrimony and Industrial Development (for example with the Altos Hornos Steelworks and the national sugar industry).

Since Mexico is endeavoring to diversify its foreign relations GDR's trade policy aimed at broadening cooperation with this Central American country meets this objective.

In contrast to the practices of imperialist states the socialist GDR offers a guarantee that the agreed-upon reciprocity will actually be reflected in trade relations and that this trade will not constitute an additional burden for the strongly passive Mexican balance of payments.

GDR Import Interests

Mexico, like most developing countries, feels that it is being used by imperialist states as a mere supplier of raw materials even though the country possesses

viable processing industries in some sectors of its economy. Between 20 and 25 percent of Mexico's total exports consist of semifinished and finished products.

GDR's Mexican imports are made up primarily of the following goods: cotton, cotton yarn and fabrics, finished textile products, cocoa products and other processed agricultural goods. The other GDR imports are green coffee beans, cocoa beans, precious metals and minerals.

Mexico regularly exhibits at the Leipzig Spring Fair in a collective exhibit. At the 1979 and 1980 fairs Mexican exporters--on the advice of the new management of the Mexican Foreign Trade Institute--improved their chances by bringing the assortment of goods offered, their quality and purchase conditions more into line with GDR's import needs. It is worth mentioning that Mexico, represented by the strong Alfa-Monterrey industrial group, organized at the 1979 Leipzig Spring Fair a technical symposium on its own process for producing sponge iron which was received with great interest.

Course for Long-Range Development Set

The Mexican visit of a GDR state delegation in June 1980 led by Politbureau Member and SED Central Committee Secretary Dr Guenter Mittag as the highlight of bilateral relations created the prerequisites for continued long-range positive development of the exchange of goods. In accord with priorities set by the Mexican Government for further development of trade the state delegation signed documents which will facilitate the rapid development of mutually beneficial trade relations for the GDR machine and plant construction combines. In addition to the exchange of goods the agreement provides for industrial cooperation.

Further GDR economic support of Mexico focuses on the buildup of port installations, the communications network, the production of scientific and technical instruments and on the construction of machines for special purposes.

8664

CSO: 2300

STATISTICS PROVIDED ON 'INTERFLUG' DEVELOPMENT, OPERATIONS

East Berlin DDR-VERKEHR in German Vol 13 No 12, Dec 80 pp 405-408

[Article by Maj Gen Klaus Henkes, deputy minister for transportation and general director, INTERFLUG: "Twentyfive Years for INTERFLUG--Review of Results, Experiences and Tasks of the GDR Socialist Air Transport Enterprise"]

[Text] By 1955 the young GDR 's development had reached the stage when it needed to have its own airline.

After a brief preparatory period the first socialist German air transport enterprise began to operate on 1 July 1955.

The first need was to provide the material and personnel requirements for starting flight services.

At that time experts from the Soviet AEROFLOT airline made available fraternal assistance to the staff of the budding GDR civil aviation.

Generous and extensive aid from the Soviet Union enabled us to establish a national aviation service in a relatively short time and to ensure the beginning of flight operations, the construction of GDR airports and air traffic control as well as the creation of the technical base and the theoretical and technical training of cadres.

The first GDR GDR commercial aircraft officially took off on 16 December 1955.

On board was a government delegation, led by Premier Otto Grotewohl, flying to Moscow to sign a treaty between the GDR and the USSR.

The young employees of the GDR civil airline considered it both a symbol and an honor by this flight to contribute to the deepening and further consolidation of German-Soviet relations.

The route Berlin-Moscow-Berlin, designated "route of friendship," has remained a beacon for GDR civil aviation ever since this inaugural flight.

Since 1955 INTERFLUG and AEROFLOT have carried more than 6 million passengers on this route. That is a reflection of the steadily deepening cooperation and friendship between our two peoples.

In the past 25 years, analogous to its operations on the route Berlin-Moscow-Berlin, INTERFLUG has developed its services by rapidly raising the rate of growth and steadily extending its range.

Currently INTERFLUG has five divisions. They are:

- General aviation
- Farm service flights
- Aerial surveys
- Airports
- Air traffic control

INTERFLUG thus handles an extensive program of services for the benefit of our economy (table 1).

Table 1--Development of Services as per Selected Indices

	Units of Measurement	1960	1965	1970	1975	1979
Passengers carried	1,000	256.4	418.8	841.6	1,139.3	1,242.6
Passenger kilometers	millions	164.7	373.0	947.4	1,489.8	1,847.7
Tons of freight	1,000 km	4,655	13,060	26,647	52,568	67,346
Agricultural area treated	1,000 hectares	168	469	1,330	3,013	3,900
Aerial surveys (inc. industrial)	hours flown	-	450	975	1,568	2,945
Passengers handled in GDR airports	1,000	-	773.9	1,519.4	1,972.1	2,392.3
Aircraft movements handled by air traffic control	1,000	75	114	207	236	290

GDR aviation policy focuses on the satisfaction of GDR transportation requirements, especially to the socialist fraternal countries.

On 4 February 1956 international scheduled services began on the line Berlin-Warsaw. Within brief delays this was followed by scheduled services to Prague, Budapest, Sofia, Bucharest and Moscow.

By now direct scheduled flights serve not only the capitals of nearly all socialist countries. They also include services from Berlin-Schoenefeld, Dresden, Leipzig and Erfurt airports to those airports of the European socialist countries, which handle a lot of passengers. Examples are Leningrad, Kiev, Minsk, Varna, Zagreb and Bratislava.

In the early years the NATO powers opposition to worldwide recognition of the GDR was directed also against the young aviation services of our republic. Close cooperation with AEROFLOT and other socialist airlines was therefore crucial for our

growth. The necessary base was created by our accession to the pool of socialist airlines established in 1955.

Cooperation has steadily progressed ever since. Regular exchanges of experiences and fruitful cooperation within the scope of such agreements as the Berlin Agreement on Aviation and the Bucharest Agreement on Farm Service Flights are characteristic for the close links between the socialist airlines in the spirit of the growth of socialist aviation and increasing efficiency in the service of the economy.

Particularly important for the development of aviation, crop spraying, aerial surveys and industrial surveys in the socialist countries is the work of the CEMA Permanent Committee for Transportation and, since 1975, the CEMA Permanent Committee for Civil Aviation.

The latter committee provides a decisive contribution to the settlement of the many problems involved in the further advance of socialist aviation.

The further expansion of GDR airports enabled us in 1957 to begin domestic flight services.

Although the distances between these airports were rather short, domestic flight services served to meet a genuine demand for transportation due to the poor long distance services then available on the railroads.

When the German Railroad became increasingly efficient, it was possible to reduce domestic flights as per plan and finally cease all domestic air traffic in 1980.

The successful development of the GDR in all areas called for the extension of international scheduled services to non-socialist countries.

In the event the disruptive maneuvers mounted by the imperialist forces against the establishment of such routes turned out to be ineffectual. Inaugurated on 29 May 1964 was the first scheduled service Berlin-Nicosia, proving that it is not possible to reverse the course of history.

Subsequently, and in accordance with requirements, INTERFLUG routes were extended to the Near and Middle East, Africa, Asia and European capitalist countries.

At this time INTERFLUG serves 49 cities in 36 countries on 4 Continents. Scheduled services involve 125,000 km. The longest flight routes are Berlin-Hanoi (10,750 km), Berlin-Havana (9,720 km) and Berlin-Luanda-Maputo (11,400 km).

The expansion of INTERFLUG's air services to the distances predestined for air traffic is reflected in the average distance traveled by the passengers. In the period 1960-1979 this rose by more than 100 percent.

In addition extensive air charter and freight services are operating to about 250 cities in more than 100 countries in Europe, Asia, Africa, North, Central and South America.

Among the passengers carried by INTERFLUG are party and government delegations, tourists, sportsmen, fishing crews, renowned orchestras and theatrical companies.

At the same time we are recording a substantial rise in the volume of air freight.

Of the utmost importance are the many solidarity flights carried out by INTERFLUG in response to natural disasters and to provide internationalist backing to the young national states in Asia, Africa and Latin America.

INTERFLUG crews quickly ferry the gifts of solidarity provided by our republic's working people to those in need and, on their return trips, take seriously injured people to be treated in GDR hospitals. The recipients therefore consider this quick aid to be most effective.

The GDR has civil aviation agreements with 47 countries to provide the legal basis for scheduled INTERFLUG services. General sales agency agreements were concluded with 49 airlines. General sales agency agreements and sales contracts with foreign travel agents and shippers safeguard the worldwide INTERFLUG air services.

In 1979 total passenger miles flown corresponded to 12 times the distance between the earth and the sun. The rapid advance of INTERFLUG services in the past 25 years called for the constant expansion and modernization of the aircraft stock and maintenance facilities.

In the early years of our airline the twin-engined propeller aircraft IL-14 carried most of the passengers and freight. In 1960 the turboprop aircraft IL-18 was introduced and represented a decisive step toward an increase in capacity.

While the IL-14 took 6 hours and 20 minutes to travel from Berlin to Moscow (including a refueling stop at Vilnius), the IL-18 reduced flying time to 2 hours 25 minutes. INTERFLUG has used this aircraft for 20 years. It has served very well in all kinds of conditions.

On short hops the IL-14 was superseded in 1966 by the turboprop aircraft AN-24.

In 1969 INTERFLUG began to operate jet aircraft, acquiring the type TU-134. At the present time the capacity of INTERFLUG general flights is determined mainly by the TU-134A and the long-distance IL-62.

The socialist transformation of GDR farming in the 1960's provided the proper conditions for introducing industrialized production methods in agriculture.

In 1957 the young aviators of the farm flight service began to gain their first experiences in spraying chemicals from the multipurpose L-60.

In the early years of crop spraying the cooperative farmers still had to be persuaded of the benefits to be reaped from the use of aircraft. As socialist farming was consolidated and developed, the demand for farm flight services rose very quickly.

After introduction of the specialized aircraft Z-37 it was possible better than ever to meet the demand. At the present time the aircraft stock consists of more than 200 crop sprayers type Z-37, PZL-106A and Ka-26. The latter is a helicopter, used mostly in mountainous territory.

The rapid increase in the crop spraying aircraft and helicopters used permitted the introduction of new types of organization for the use of farm air services.

In the early years the crews were entirely migratory; nowadays they and their aircraft are settled in agrochemical centers.

Regular employment in the same region increased flight safety. At the same time the crews enjoyed a great deal of improvement in their living and working conditions.

Farm aircraft services are used especially for operations which can be done only by aircraft or achieved with greater productivity by such use. That applies mainly to the application of nitrogen fertilizer to grain, to combating potato disease, pest control, the sowing of winter grain and the cultivation of mountain pastures.

At peak times of farm flight operations--nitrogen fertilizing of grain--we have long been aided by AEROFLOT pilots. We can thereby achieve a reasonably even utilization of the equipment and the steady employment of the crews during the year.

The use of crop spraying aircraft produces great benefits for the economy, because it raises productivity and yields in a quite specific way.

When, for example, 2 million hectares of grain crops receive nitrogen fertilizer by way of spraying from the air, the total additional yield amounts to 6 million decitons.

The use of this extra in animal production brings an output of 120,000 tons of slaughter cattle.

Nowadays the use of crop dusters in agriculture and forestry has a definite place in this highly productive sector of the economy.

The establishment of the INTERFLUG aerial survey division in 1978 resulted in aerial survey flights using, among other equipment, the Zeiss multispectral camera MXP-6M. Such flights are carried out for geodetic, geological and cartographic purposes. The same planes also serve as flying ambulances, flying relay stations for sports reports and have many other uses.

Since 1959 the personnel of the present industrial flight squadron have rendered pioneering services using helicopters as flying cranes and outside carriers of other equipment. In the early days they used the Mi-4 type helicopter. In 1967 this was replaced by the more efficient Mi-8 jet helicopter which enables the crews to perform outstanding services. They do precision work when it is necessary to do difficult assembly and disassembly in industry, construction, overhead transmission lines for energy supply, overhead lines for the German Railroad, coastal defense and many other sectors of the economy.

A characteristic feature of the aerial survey division is the variety of tasks to be undertaken in all kinds of conditions which challenge the devotion of every employee.

The aerial survey division uses the Mi-8 and Ka-26 helicopters as well as the multi-purpose AN-2 aircraft to accomplish important intensification and rationalization tasks in many sectors of the economy.

The airport division is primarily charged with handling passengers, baggage, freight, mail and aircraft on behalf of the airlines involved in air traffic on GDR airports.

In view of the aircraft stock available and the need for transportation it was necessary in the early years of our airline to concentrate international scheduled air traffic at the Berlin-Schoenefeld Airport.

Once the Dresden, Leipzig and Erfurt airports had been expanded to allow for international traffic and more aircraft were available, these airports increasingly began to operate scheduled air traffic to the capitals and vacation centers of the socialist countries.

This helped better to respond to the distribution of population in our republic and cut down the time needed for passengers to get to and from airports.

The steadily rising demand for air travel in the GDR as well as the growing challenges to air safety required extensive investments and reconstruction work on all airports in the past 25 years. It was always a cardinal concern to find functional and future oriented solutions in order to meet present and future demands while minimizing costs.

The facilities and parameters of GDR airports correspond to international standards and offer the proper conditions for the smooth and safe handling of air traffic.

In 1979 GDR airports handled about 42,000 aircraft. Sixteen foreign airlines fly to Berlin-Schoenefeld Airport, the main base of the INTERFLUG divisions. All 16 maintain regular scheduled flights, and they are joined by many charter airlines.

At the time of the Leipzig Fairs the Leipzig-Schkeuditz Airport handles a massive special fair flight program.

The air traffic control division of INTERFLUG guarantees the air traffic control of civilian aircraft in the air lanes of the GDR as well as at landing and take-off.

At the same time it handles air communications for INTERFLUG and foreign airlines.

Ever since the establishment of GDR civil aviation the constant expansion and modernization of air traffic control and its facilities has received the greatest possible attention.

Especially in recent years the automation of the GDR air traffic control system--proceeding as planned within the scope of the CEMA Complex Program--achieved a quantum jump in quality.

Excellent results were achieved by close cooperation with Soviet and Polish comrades in the respective equipment industry.

From the establishment of civil aviation on the challenging demands on the secure mastery of the complex and rapidly developing technology of aviation in all areas as well as the international nature of air traffic required the utmost attention to further education and training as well as to safety features.

Enterprise training schools, universities and technical colleges in the GDR and the USSR as well as the training schools of AEROFLOT guarantee the training of cadres and their constant acquisition of new skills.

In recent years reconstruction and new facilities allowed a definite improvement in the material base of enterprise training schools.

Available to crews now are, for example, a flight simulator and breakdown prevention center. They make it possible on the ground to teach the crews how to handle perilous situations.

Next year a center for the joint training and further education of flight, technical and air traffic control personnel of the socialist countries will begin operations in Ulyanovsk, Lenin's birthplace.

This center will allow the operators of Soviet aircraft and aviation technology to have available specialized cadres trained in accordance with standardized principles. The standard of training will thereby be further improved.

The rapid development and current efficiency of INTERFLUG is indivisibly linked with the outstanding work of all INTERFLUG employees who abound in initiative.

In addition to the laudable readiness to serve of all employees let me quote as examples of many outstanding achievements the excellent quality work by the workers in the aircraft plans, the skill of the crews, the initiatives for the more efficient use of available basic assets as reflected in the extension of the limit of the working life of crop sprayer Z-37 from 3,000 hours to more than 6,000 flight hours, the scientific performances in respect to the automation of flight control and transport process management, the quick creation of the prerequisites for the use of the MXF-6M by our own employees, the achievements in the fair of the masters of tomorrow and the innovator movement and, lastly, the successes achieved in the construction of rationalization aids.

On the eve of 1 May 1980 the party and government leadership honored the efforts of the working people by awarding the Karl Marx Order to INTERFLUG.

This great honor represents an obligation for all INTERFLUG working people in the socialist competition to direct their efforts to the satisfaction of the needs of the economy, accompanied by the greatest possible safety, punctuality, reliability and least possible use of funds, at the same time guaranteeing a high standard in the handling of passengers, freight and aircraft.

The obligations incurred in preparation of the Tenth SED Congress show that the working people of INTERFLUG are meeting these challenges, and that they will contribute their share to the accomplishment of the greater advance of the GDR economy necessary in the 1980's.

GERMAN DEMOCRATIC REPUBLIC

CROP, WEATHER REPORT PUBLISHED FOR NOVEMBER 1980

East Berlin FELDWIRTSCHAFT in German Vol 22 No 1, Jan 81 p 48

[Article by Dr D. Krumbiegel, GDR Meteorological Service, Central Weather Bureau, Potsdam]

[Text] The Weather in November 1980

Temperature conditions were governed by extremely cold weather in the first 10-day period and 10 days of unusually mild weather starting in midmonth. Very frequent precipitation was the most abundant in the second 10-day period.

Up to the 11th, daily average air temperatures mostly ranged from 4 to 7K below normal. Anomalies down to -10 K were recorded from the 2nd to the 5th. Above-normal air temperatures occurred from midmonth to the 26th. In this, around the 17th and in the fifth 5-day period, deviations from the norm between +6 and +10 K were obtained. Daily maxima up to the 5th dropped below freezing (ice days) widespread. Thereafter, maxima only sporadically reached values above 5°C. The mild weather sector brought maximum temperatures between 10 and 14°C (locally, to 16°C). The end of the month, somewhat too cold, again brought maxima below 5°C. Up to midmonth, the whole area got ground frosts every night. Minima often went down to -5°C, in the first 5-day period to -10°C regionally. During the mild weather sector there was no frost except on the 20th (southern GDR). There were several nights when air temperatures on the ground did not even drop below 5°C. Starting with the 27th, light or moderate frosts (27th and 28th) again became general. Whereas there had been much sunshine in the first 10-day period, there was little of it afterwards to the end of the month. Up to the 13th, precipitation did not yield much. It mainly came down in solid form, forming a snow cover, mainly in the southern GDR. In the plains, there was as much as 15 cm of snow, in the mountains, as much as 20 cm. On the 14th and 15th, the rain was heavy (daily volumes from 5 to 10 and 10 to 15 mm respectively), which rapidly melted the snow cover. Thereafter, daily totals of precipitation mainly ranged between 1 and 3 mm (locally, to as much as 10 mm during a few days). By the end of the month there was snow again. A light snow cover was found on the 30th in the southern bezirke and, regionally, in the north as well.

Weather Data for November 1980 according to the Chief Climatological Office, Potsdam

1. Monthly Air Temperature Averages and Deviations from the Norm

Schwerin	4.0°C	-0.1K	Erfurt	2.3°C	-0.8K
Neubrandenburg	3.1°C	-0.3K	Leipzig	3.1°C	-0.6K
Potsdam	3.6°C	0.0K	Goerlitz	2.5°C	-0.7K

2. Average Precipitation according to Bezirke

Rostock	58 mm = 123%	Halle	41 mm = 105%
Schwerin	59 mm = 126%	Erfurt	52 mm = 108%
Neubrandenburg	51 mm = 124%	Gera	47 mm = 118%
Potsdam	41 mm = 95%	Suhl	42 mm = 71%
Frankfurt	33 mm = 83%	Dresden	42 mm = 86%
Cottbus	41 mm = 95%	Leipzig	48 mm = 112%
Magdeburg	37 mm = 86%	Karl-Marx-Stadt	47 mm = 87%

Soil, Crop and Labor

Surface soil temperatures at the beginning of the month dropped to around freezing. Up to the 11th, the upper crusts were frozen, widespread, inland on all days. The deepest penetration of the frost (10 to 15 cm) came in the middle of the first 10-day period. Around midmonth, the surface soil warmed up rapidly to daily averages between 5 and 10°C. With the 26th, the soil cooled off again, but the frost penetrated only a few centimeters into the ground. In the subsoil, the autumnal drop in temperature speeded up during the first half of the month. Starting on the 6th, it often dropped below the 5°C threshold at a 50-cm depth, but with the 16th it generally went above that threshold again. By the middle of the third 10-day period, subsoil temperatures had again risen to from 7 to 10°C. By the end of the month, from 4 to 6°C were recorded at a 50-cm depth, from 6 to 8°C at a 100-cm depth. On soils that could still absorb water, ground water content down to 1 meter in depth increased from 5 to 15 mm in the first 10-day period, from 10 to 25 mm in the second. A lot of mud and shifts in nutrients are likely to have taken place on soils with a low or mediocre water capacity, especially in the northern half and in the southern plains. By the end of the month, the difference from field capacity below turf down to 1 meter in depth amounted to from 0 to -15 mm on light and medium soils, to from -40 to -95 mm on heavy soils (the bezirke of Magdeburg, Halle, Erfurt), and to from -10 to -40 mm (in the rest of the area). The minor positive effect on the soil the frost had had in the first 10-day period was canceled out by the subsequent weather. Crowding and mudding were encouraged by the high water content. There were hardly any suitable conditions for soil-biological processes because, in spite of favorable temperatures at times, the lack of air in the soil was greatly detrimental.

Through a radical temperature reduction, the 1980 vegetation period came to an end uniformly in the entire area on 31 October. Compared with normal schedules, growth terminated prematurely at magnitudes of from 5 to 12 days (as between the mountains and the coast). For this year's vegetation period, in view of the length and deviations from normal values, we can compute the following data (in terms of days):

the coast 205/-15, the central plains 220/-10, the mountains 200 to 205/0 to +5. Crops accustomed to above-normal air temperatures in the second half of October experienced a shock-like stop in growth due to the pre-winter weather of the first 10-day period. Forage crop, vegetable varieties and ornamental plants suffered much frost damage. Sugar beet tops lost their natural turgescence and laid flat. Potatoes not yet dug froze. Wintering varieties are not likely to have been affected since temperature minima hardly ever dropped below -10°C, which means they stayed above the critical threshold values. The southern half of the GDR got enough protection from the snow cover. The mild weather period stimulated growth once again. This improved the prewinter development of the grain and other winter crop and helped late crops come up. Often, grazing of young cattle was resumed. Altogether, however, because the sunshine was poor, all the warmth there was could not be fully used. It was, however, of advantage that the nights that remained without frost also prevented temporary interference with the growth process. Vegetation again came to rest in the last 5-day period. Phenologically remarkable was that the sudden cold at the beginning of the month stopped the metabolism from the leaves on deciduous trees and the dropping of the leaves, so that there was another great delay due to the belated dropping of the foliage.

Field work succumbed to ground frosts and the regionally extant snow cover in the first 10-day period, particularly in the southern and central bezirks. Frosts did, however, make acreages nicely trafficable for harvest vehicles. After the frost was gone, the very muddy soil made things extremely difficult for getting the beets out, working the soil and seeding winter grain. Increased tractor power requirements led to harvesting losses and dirtied the crop, reduced qualities and damaged the beds. Up to 90 percent of the sugar beets was harvested by the end of the month and up to 95 percent of the winter grain seeding. Meteorological conditions for aeration measures were mostly unfavorable. Such measures could be undertaken for hours only during the day in the first 10-day period because of the outside temperatures. During the mild weather sectors the values were almost always too high to obtain cooling effects.

5885

CSD: 2300

BRIEFS

'SOLIDARITY' INVITES NORWEGIAN TU DELEGATION--The Norwegian Trade Union Federation has accepted an invitation from the Polish trade union organization Solidarity to visit Poland. The Norwegian Trade Union Federation delegation will probably visit Poland in mid-February, Trade Union Federation international secretary Kaare Sandegren told Norsk Telegram Byraa. Sandegren will lead the Norwegian delegation. The delegation will be small and no trade union chairmen will take part. [Norsk Telegram Byraa] [Text] [LD291617 Oslo AFTENPOSTEN in Norwegian 27 Jan 81 p 7]

CSO: 3108

TECHNICAL CREATIVITY FOR HIGHER ECONOMIC EFFICIENCY

Bucharest ERA SOCIALISTA in Romanian No 23, Dec 80 pp 20-25

[Report of debate by Ion Chirculescu]

[Text] Under the impetus of the technical-scientific revolution, the relationship between technologic progress and economic efficiency is of vital significance in the transition to new and superior quality. In this respect, the decisions of the 12th Congress have lend extraordinary vigor to the creative activity that workers have conducted in all areas where material goods are produced, to implement the options for disseminating modern technologies and replacing energy intensive-ones, for reducing the time needed to renew products and improve their quality, and for managing raw and other materials as efficiently as possible. No effort can be spared to modernize our entire production on this basis, since this is the only way in which we can produce at the level of international performances with reduced specific consumption. This is even more significant in Romania, where specific consumptions continue to be higher than those of economically developed nations. As an example, we consume 0.85 tons of conventional fuel per ton of raw steel, as compared to 0.7 tons in France.

Through the generalized application of the principles of the new economic-financial mechanism, the workers' democracy is in a position to stimulate the creative energy of workers, and increase the responsibility of ministries, as well as that of collective managements in enterprises and scientific research units, toward the broad application of technologies with high economic efficiency. Party organizations and peoples' councils focus the creative forces in research and design institutes, in education, and in enterprises, on the most effective solutions to problems associated with a higher qualitative level in production technologies.

The debate organized by ERA SOCIALISTA together with the Brasov County Committee of the RCP, was attended by production specialists, teaching personnel in higher technical education, and party activists; it disclosed a number of positive findings, as well as some shortcomings in the effectiveness with which modern technology and techniques are being promoted, in the integration of research and education into production, and in the encouragement of technical creativity on the part of workers, engineers, and technicians.

Debate participants:

Ioan Ungur, secretary of the Brasov County Committee of the RCP
Gheorghe Rizea, vice-chairman of the County Council for Workers' Control of Economic and Social Activity
Stefan Radu, director of the Rianov Cutting Tool Enterprise
Victor Hoffmann, professor emeritus, doctor engineer, chancellor of Brasov University
Ioan Olteanu, director of the County Statistics Directorate
Traian Barbat, head of the Department for Technical Preparation of Fabrication at the 6 Martie Enterprise in Zarnesti
Serban Cirsteanu, head of the Design Shop at the Electroprecizia Enterprise in Sacele
Ileana Dragolea, head of the Technical Planning Office at the Brasov Truck Enterprise
Ioan Florea, head of the Scientific Research Department at the Victoria Chemical Combine
Augusta Moldovan, responsible for inventions, innovations, and documentation at the Brasov Tractor Enterprise
Ioan Murzea, head of the Technology Office at the Brasov Truck Enterprise
Spiridon Popescu, head of the Design Shop at the Brasov Aeronautical Construction Enterprise
Francisc Vass, head of the Planning Department for Aggregate Machine-Tools at the Brasov Truck Enterprise

Science, Promoter of Technologic Progress

A vital problem in increasing the efficiency of industrial production is the reduction of material production costs. In exchange for greater creativity efforts, obtain a substantial improvement in products and technologies, and thereby high economic efficiency. Very few technologies exploit reusable material resources and the rebuilding of parts and subassemblies.

Ioan Ungur: A crucial factor for rapid economic growth along a positive and highly efficient slope, is the development of production forces on the basis of the technical-scientific revolution; this is a fundamental policy of our party, which has been and is consistently followed, so that each stage in our country's evolution has been characterized by qualitatively superior goals. This long range program also characterizes the directives for socioeconomic development included in the decisions of the 12th Congress, which are a concrete and higher level implementation of the Party Program.

And just like the national economy, Brasov County is evolving with a sustained growth rate in the production of material goods.

The concerns of the county party committee are polarized by a firm orientation toward the intensive, qualitative factors of economic growth, with emphasis being placed on the integral implementation of programs for production mechanization and automation, on the modernization of technologies and products, and on increased profitability and profits. All the activities that are undertaken seek to derive the best from man's creativity and initiative, since we start from the conviction that the technical-scientific revolution is a process with profound effects on

production forces, a process which does not occur by itself but rather as a result of a well organized activity receiving the contribution of all the collectives of workers, engineers, and technicians. This is also why we direct our party organizations to more intensively and efficiently continue political education actions designed to provide workers with a better understanding of the economic-financial mechanism, and with a new concept of economic development, so that their efforts will materialize in a diversified production of higher quality and high profitability.

The implementation of the progress made by the technical-scientific revolution in all areas of material goods production, as an essential condition for obtaining maximum economic efficiency, is synonymous with the manifestation of a strong revolutionary spirit in the development of scientific research, characterized by a constant effort at renewal and maximum utilization of technical and scientific creativity, through a decisive struggle against outdated ways, against all that impedes or hinders the promotion of the new. In this spirit, we militate for the utilization of the powerful potential for scientific research available in the county. Genuine assistance in decisively involving all the potential for research and technologic engineering in the vast action for solving major problems in economic affairs, was obtained from the investigation and analysis of the activities conducted in institutes and centers for research and design, as well as in universities and enterprises in the county. A meeting held by personnel in scientific research, design, higher education, and by enterprise specialists, discussed problems associated with the introduction of scientific research in enterprises, the compression of the research-design-production cycle, the rapid finalization of scientific results, the pursuit of multidisciplinary research, and so on.

By asking for a scientific research at the level of current needs, we want to increase the flexibility of technologic plans in each enterprise, so that these plans will truly become efficient levers for an effective introduction of new technologic progress.

Among other things, the successful application of the new economic-financial mechanism assumes that technologic solutions will answer the demands of production, because this is the only approach which will assure a strong increase in efficiency, a reduction of material costs, and social labor savings. Some good results have been obtained in this respect, but unfortunately some of the research topics had minor goals, and others were not completed, with their applications being delayed for years.

A vital problem in increasing the efficiency of industrial production is the reduction of material production costs. All enterprises are conducting constant actions for a more efficient management of raw and other materials. In addition, industrial cities, towns, and enterprises are organizing meetings, exchanges of experience, topical shows, and so on. Good results have been obtained from workers' campaigns in all enterprises, such as "Advanced Technologies in Production," "The Micron, Gram, Second, and Kilowatt," "Union Group Savings Collection Account," and so on. All of these actions result in savings of raw and other materials from improved technologies, redesign of products with better technical and economic specifications, adoption of new products, and so on. However, we cannot say that we have reached the level of the available possibilities in enterprises. In many cases

production requires high specific consumptions, uses outdated technologies, while the modernization of manufacturing processes and product renewal is proceeding quite slowly. The county party committee is thus focusing the efforts of party organizations and workers' councils in this direction, seeking to impart a systematic, scientifically based nature to the management of raw materials and the reduction of material costs, so that these will become a major component of enterprise management and will polarize the efforts of workers' councils around production modernization.

Increases in the level of technology and efficiency of production require not only competence, but also a new way of thinking and acting, so that in exchange for greater creative efforts we will obtain a substantial improvement in products and technologies, and thus a high economic efficiency. By more efficiently supporting party organizations, scientific councils, and workers' councils toward more vigorous and responsible actions, we assure that the efforts of production specialists, researchers, and design and education personnel, will be directed first of all toward the creation of new applications in a wide range of goods, and the manufacture of highly technical, high quality products from each ton of raw and other materials.

Gheorghe Rizea: An increase in the level of technology and efficiency of production depends not only on the capability and quality of scientific research, and of technologic design and engineering, but also on the speed with which the results of science are widely implemented in practice. In this respect, our county's industry has obtained some good results, demonstrated by the fact that 51 percent of the value of industrial production in 1980 was derived from new and redesigned products placed in fabrication during 1976-1980. Despite this, the finalization of much of the scientific research, or the rapid application of the results obtained in science, leave something to be desired. During the 1976-1980 period, 85 projects were not finalized or were not applied throughout the county. I think that the research-design and application cycle is much too long in some cases. At the Hidromecanica Enterprise, for instance, and at the Fagaras and Victoria chemical combines, the deadlines for scientific research phases have been exceeded by 1-3 years. In the machine building, chemistry, and construction materials branches, 5-6 years are needed between the beginning of research-design phases and the implementation of results in production.

Victor Hoffmann: The reduction of the cycle of research-design and introduction into production for scientific results is vital, particularly today when the technical-scientific revolution brings about a rapid outdateding of products and technologies. According to the calculations of some French specialists, the youth period of an industrial product is between one and five years, during which time production grows by about 10 percent, followed by a period of 2-4 years during which production drops by about 9-6 percent as a result of market saturation and competition from new products, and ending with a period of rapid decline. In the United States, the average lifetime of an industrial product is 5-15 years, with an active lifetime of 7.5 years: for 90 percent of new products, production is nearly completely renewed in a 10-15 year interval.

For some new products we find ourselves at an international level, but for some other we are unfortunately quite far from it. One example of good performance is that during the first 25 years, six of the seven types of tractors in production had a lifetime of 2-8 years, except for the U 500 tractor whose lifetime was 13 years.

Ioan Ungur: Our scientific research has many possibilities for becoming that which it must truly be in all domains, namely a means to open paths and promote technologic progress. For this, party organizations and collective management organs in scientific research and design units, and in schools and enterprises, must more consistently promote new ideas and must sustain the incentive of specialists to search, transform, and eliminate conservatism and routine whenever necessary. Wherever this revolutionary spirit is not at its best, scientific research limits itself to solving technical or technologic problems useful in immediate practice, but less important when compared with the problems that are facing enterprises. Yet production expects science to offer enterprises solutions for the renewal of products and technologies, and not to solve problems which in fact are within the enterprises' own ability to solve.

It is imperatively necessary that the selection of topics be well organized and managed everywhere, so that science will concern itself with major questions whose solution will affect technologic progress. This is made even more necessary by the fact that our own research plan for the 1981-1985 period includes minor topics of lesser usefulness and efficiency, which of course can be completed more readily but which diffuse and squander creativity efforts. Such is the case at the 6 Martie and Colorom-Codrea enterprises, who have proposed no project in their own plans even though their activities call for solutions to complex problems. Other research topics for improving products and technologies have been included in plans on the basis of brief, unfounded estimates, without efficiency calculations, summarized in general statements. An insufficient orientation of scientific research efforts toward the formulation of technologies with substantial effects on reduced consumption of energy and raw materials, explains why few technologies are aimed at the exploitation of reusable material resources, the rebuilding of parts and subassemblies, and the saving of energy resources and energy intensive raw materials.

It is more than ever necessary to establish a fruitful collaboration among research-design cooperatives, education, and enterprises. The shortcomings in this respect explain why some research projects are contracted with units outside the county, and why a large number of the proposed projects appear in the research plans of several enterprises, thus wasting effort and strength on problems whose solutions are already known and even applied within the county.

Victor Hoffmann: A large number of examples demonstrate the efficiency of integrating scientific research and production at the University of Braşov. Joint collectives have been formed, composed of teaching personnel and production specialists, which collaborate to solve research projects generated by the requirements of enterprises.

Although a significant improvement has been achieved over the not too distant past, scientific research in higher education is not decisively in the forefront, and does not always aim to offer valuable solutions to production.

The fact that we are working almost totally on the basis of contracts with enterprises has made it possible to orient higher education research toward production, and the essence of our concerns has become the problems that are facing enterprises. Except that this orientation is not oriented to the future, because the enterprises do not request, and the university avoids, contracts for new and extensive research, since it will have to support the costs of this research should the results fail to meet expectations. Consequently, because we do not have the actual material resources we undertake only those projects of whose solutions we are certain. We thus help enterprises solve current problems, without however supporting them, as we should, to create new products or introduce modern technologies. In other words we solve problems that have already been solved, but the products or technologies to which the university contributes improvements are new to the enterprises while they may not be new elsewhere in the world.

I believe that the contribution of scientific research in higher education would be much greater and more efficient if the enterprises had the funds necessary to support the costs involved in solving product and technology renewal problems. There will of course also be some failures, but the promotion of modern technology is somewhat prejudiced without a certain amount of risk.

Ioan Murzea: I find this proposal entirely reasonable. But it can be implemented only to the extent to which the technical plan of the enterprise is conceived to include all the material conditions for the effective application of measures for improving technologies or subassemblies. This is unfortunately a fairly rigid situation insofar as enterprises can stipulate costs in their technical plans only for what they propose to achieve during the year in the area of product and technology renewal. Yet, during the course of the year people are constantly discovering new approaches for improvement which purely and simply cannot be foreseen. For these problems, and for those which they cannot solve, enterprises contract with research and design institutes or with universities. But the latter accepts contracts only if it is sure that it can solve the respective projects, because its contracts are not honored otherwise. That is why it would be useful for the technical plans of enterprises to have the flexibility imposed by production requirements, so that they might provide the funds for solving all the problems raised by the dynamics of product or manufacturing technology renewal.

Ileana Dragolea: Since the adoption of new products and modern technologies is assured by the technical plan, no effort can be superfluous in improving important instrument for promoting technologic progress. In addition to the ideas mentioned earlier, with which I concur, I also believe that the technical plan should be correlated with the production plan. It would clearly be ideal if the production plan were to include all that is achieved through the technical plan in terms of renewing products and manufacturing technologies. The truck enterprise is often asked to introduce new products into production, without considering the time necessary for this action in terms of research, design, prototypes, specifications, prefabrication, and introduction into manufacture. Even though these steps require one, two, and even more years, depending on product, the time allowed in some cases does not exceed several months, which is insufficient to prepare at a high qualitative level the modernization and improvement of products and technologies.

The avoidance of these conditions demand a good knowledge of present, and especially long range, needs, as well as of the evolution of the products on domestic and foreign markets. This makes it possible to soundly organize all the phases required by a new technology or new product, avoiding situations in which a product needed in the economy is planned without the existence of any concept or design.

Spiridon Popescu: I believe that the percentage of an enterprise's total production which is used to form the fund for new technologies, which in turn is used to accomplish the objectives included in the technical plan, is too small. It would be better if the fund for new technology -- research, design -- was proportional to the technical level of the enterprise and with the objectives proposed for product and technology improvement. Being limited by a fixed percentage rate, the fund for new technology does not offer the enterprise the possibility to act efficiently in developing its own technologic creativity, and in improving products and technologies. Under these conditions it is understandable why the product renewal process presents some difficulties.

Starting with its implications, I believe it is necessary to analyze the possibility of financing an enterprise's technical plan, not within the limits of the percentage mentioned above, but rather as a function of the technical level and specialty of the enterprise, and of the requirements of product and production modernization.

Gheorghe Rizea: The technical plan can truly become an effective instrument for the rapid promotion of technology, only to the extent to which it is based on the principles of economic-financial self-management. First of all, this means that the enterprise plan must be based entirely on firm contracts, because they are the only means for assuring reliability, scheduling, and long range planning; on the basis of these contracts the collective of each enterprise can then establish clear objectives for the introduction of new technologies and for product renewal, and can take early steps for optimum manufacturing preparation.

Only by acting in the spirit of the principles of economic-financial self-management can enterprises acquire the possibility to work together with central organs, so as to solve early in the process problems associated with the introduction of technology, fulfill the plan at the level of their capabilities by obtaining all the necessary contracts, and assure technical-material supply, cooperation in production, and the technologic preparation of products. Because the collaboration between enterprises and hierarchically superior central organs does not operate as it should, the plans of some units still contain outdated products, or new products whose preproduction stages are not complete. These conditions can weaken interest in product or technology improvements, thus encouraging routine and conservativeness toward renewed technologies or manufacturing processes.

Stefan Radu: In the sphere of our industrial activities, scientific research and design can mean nothing else than the improvement of products and technologies, and the reduction of specific consumptions. The problems solved by some institute do not always -- and this includes our enterprise -- truly represent scientific research. It has become traditional for each project contracted with a scientific research institute or higher education unit to be called scientific research, independently of whether the project is or is not solved elsewhere in the world. As a rule, we pay for problems that are solved for us at scientific research rates, although these solutions are no more than engineering and technical design

solutions. Yet, we know that the only activity that can be considered as scientific research and honored as such, is the one that results in something that is truly new. On the other hand, the work involved in documenting and planning a product or technology that already exists in the world, can be considered solely as technologic engineering, and should be paid as such.

I think that we can only profit by precisely defining these activities, which are actually quite distinct, insofar as scientific research would no longer waste time and material resources to solve that which is already solved, while enterprises would concentrate their efforts to develop engineering and technical design by eliminating useless expenses incurred for technologies that have already been formulated.

Ioan Olteanu: Concerning the systematic follow-up of the completion of research objectives, I want to point out that the present information system is also not as effective as it could be, and does not contribute sufficiently to shortening the research-design-production cycle. The present follow-up method has the following shortcomings:

It does not permit a complete characterization of the entire research-design-production cycle. For this reason it creates a hiatus between the end of the research phase as such, and the phases associated with the implementation in production of the results obtained. As a matter of fact, the research plan is separate from the plan for introducing technologic progress. Secondly, the effects that are followed-up are only the potential ones, established at the closing of the research phase, while the achieved effects are monitored only by the producers of new technologies. As a result, we do not know the effects achieved by those who use the new technologies. And finally, the present information system is also weak in determining and monitoring the economic efficiency of scientific research. There is still no recording and monitoring system for projects. It has not yet been determined who should be concerned with this problem: research-design shops, preproduction departments, departments for the organization of production and labor, technical departments, or other groups.

Beginning in 1981, the unified monitoring of the research-design-production cycle is stipulated to eliminate this situation.

Ioan Florea: I believe that the fruits of scientific research would be more substantial if the principle of material vested interest were to be exploited more effectively. I think it would be useful to study the possibility for specialists who work in scientific research to be offered the same incentives as those who work in production. This would encourage competitive attitudes and would greatly improve the quality of the work force in scientific research. We must not forget that a scientific researcher is not created overnight, and that this profession is embraced only by those who have a scientific inclination and great dedication.

Ioan Ungur: There is no doubt that the present legislation can establish concrete means for encouraging scientific research activities, the main point in my opinion, being a close relationship between remuneration and the value obtained from the creation of new technologies and products, and from their effective introduction into production.

At the same time, we cannot overlook the existence of old mentalities, of routine practices, which reduce competitiveness and weaken the connection between scientific research activities and production needs. Scientific research specialists often visit enterprises, collect all sorts of data, and issue various opinions, instead of offering new solutions for modernizing equipment, production processes, or products. A large number of specialists in our country have earned the title of doctor in technical sciences, but extremely few doctoral theses provide anything new which can be effectively applied in production. I think that no one derives much use from the practice of those who seek to obtain scientific titles on the basis of projects which contribute nothing new and have no practical use.

Spiridon Popescu: The fabrication of products at performance levels current throughout the world is organically connected with the existence of prototype and micro-production shops. I think it would be useful to analyze the possibility of creating such shops, taking into consideration the requirements imposed by the assurance of a rapid cycle of product renewal. The absence of such a shop cannot even be conceived for any enterprise, and especially for a highly technical enterprise such as ours, with its short product runs. Experience has shown that optimum construction of product prototypes cannot be assured on production lines, where all the activity is devoted to the fulfillment of the plan.

Efficiency, Essential Criterion in Technologic Creativity

Manufacture of products at the level of international performances in terms of reliability, weight, efficiency, and so on, is one of the major criteria for assessing research and design activities. Product design or redesign must begin with product usefulness. Management of raw materials and reduction of consumptions must become a major component of production management, and must polarize the concerns of party organizations and workers' councils.

Gheorghe Rizea: The true value of the achievements of scientific research and design in the renewal of products and the improvement of production technologies, is demonstrated in terms of economic efficiency. In fact, the achievement of the highest possible economic efficiency is the defining parameter under the conditions of the new economic-financial mechanism.

Because it is essential for each enterprise to introduce into the economy the highest possible newly-created value, and to produce the widest range and best quality of usable goods as a function of its available capabilities, no effort can be too great when it involves improvements in manufacturing technologies and constant product renewal, the goal being to obtain a high economic efficiency. This point needs to be particularly emphasized since technologies have often been developed or products manufactured without taking into consideration their economic aspects -- whether or not it is efficient to produce them -- thus freezing material funds and wasting time invested in labor.

Through the wider functions granted to enterprises in planning their production, collective managements have the opportunity to use material and financial means so as to obtain a substantial improvement in products and technologies, in exchange for a greater creative effort, and thus to achieve a high economic efficiency.

Ioan Ungur: In the broad and complex action to modernize production and increase its profitability, the processes that have a positive influence on production must be mastered and properly directed, while negative influences must be counteracted. What does this mean? We know that new products placed in mass production begin by reducing the value of net production as a result of the costs incurred in their design and introduction into fabrication. Of course, the situation becomes normalized after some time, and profitability rapidly increases. However, in order to obtain the highest possible production value there exists a tendency to use technologies which require large amounts of labor and which thus assure a high newly-created value. Yet the same product -- with the same functional qualities -- can be produced with a more efficient technology. That is why it is necessary to devote proper consideration to our actions, since profitability can be viewed not only from the standpoint of an enterprise, but also from that of society. A significant role in this case can be played by party organizations and peoples' councils, whose duty it is to provide a full understanding of the principles of the new mechanism, of the net production indicator, and of cooperation relationships, so that the modernization of technologies and products, and the efforts to increase profitability, will also have a high social efficiency.

Traian Barbat: Along with the introduction of the new economic mechanism there exists a strong tendency toward integration, which I consider a positive one, with enterprises attempting to produce as many subassemblies as possible for their finished products, because the subassemblies which they receive through cooperation are not only expensive, but also increase their production costs and correspondingly reduce the value of net production.

That is why, as has already been indicated here, it is necessary to regulate the exchange of activities on a rational, efficient basis, so that the process of production integration will proceed as an objectively necessary one rather than at the detriment of other enterprises.

Serban Cirteanu: The antidote to the tendencies toward expensive production, tendencies that have a highly narrow sectional nature, is a reconsideration of our entire approach to design, so that this activity will become a powerful instrument in modernizing production and in improving its efficiency. This is true -- and there is nothing new about this -- the economic efficiency of production is determined on the designer's drawing board. According to some estimates established from studies conducted in the USA and confirmed in our industry, approximately 75-80 percent of actual and invested labor costs are determined by designers through decisions about the number and complexity of parts in products, dimensional tolerances, surface finishes, nature and quality of materials, and so on. Once a product project is undertaken, all subsequent efforts to reduce material and labor costs both through rational organization of the manufacturing process as such, as well as through improvements of industrial processes, can affect only factors whose influence in determining total production costs does not exceed 20-25 percent. Consequently, the greatest influence on economic efficiency is the phase of product construction design which lies at the start of the production process.

Given these observations, our enterprise has placed particular emphasis on product design improvements and on reconsideration of solutions and designs, acting at the construction design phase of these products. For this purpose, we have made extensive use of value analysis, a method for increasing production efficiency which

seeks to reduce manufacturing costs while improving product quality through fundamentally new approaches in product design and fabrication. Acting on the functionality and usefulness of products during the design or redesign phase, we have succeeded in reducing material and labor consumption in manufacturing for an annual savings of 20 million lei. Actions of this type, prepared for 1981, will result in savings of about 30 million lei. It is also notable that we are now obtaining more engines than before per ton of metal, so that we now manufacture an additional 18,000 engines from the metal that we save.

Stefan Radu: In my opinion, a reconsideration of design's role in the light of the new economic mechanism implies first of all a powerful reinforcement and development of design departments in enterprises. The fact that several years ago this activity was concentrated in large design institutes certainly responded to efficiency requirements. But experience has shown that this concentration of design activities is not always justified under the conditions of the new economic mechanism, with our enterprise being such an example. After the design department was transferred to the jurisdiction of the design institute, responsibility toward the enterprise's design needs was considerably weakened even though all the personnel remained within the enterprise, because the respective collective was now concerned with fulfilling the design institute plan rather than with the needs of the enterprise, whose design problems were assigned a lower priority. Consequently, although this department was fulfilling the plan established by the institute year after year, our enterprise failed to complete a number of projects, with negative influences on manufacturing processes and fulfillment of plan tasks. Moreover, the cost per design-hour increased 5-10 times compared to when the design department was still an integral part of our enterprise. It is clear that in our case, this approach to design activity concentration does not help economic efficiency as long as it reduces responsibility and increases costs, while production actually suffers.

Considering the requirements of economic efficiency, I believe that the bolstering and development of a strong design department for our enterprise is not an expression of conceit, but instead represents an essential requirement for a more dynamic and efficient activity in renewing products and technologies.

Ileana Dragulescu: The concentration of design activities also has other negative implications. At the truck enterprise, the design institute is integrated, which has made it easier to bring designers closer to production. But the institute has its own plan with all the usual indicators -- net production, profits, expenses, and so on -- and is thus concerned with its fulfillment. Moreover, even though it is in the same building as us, we must place orders for each project, which is followed on its part with contract proposals, agreements, and all sorts of additional documents, all of which require time and mean nothing else than delays in the improvement or adoption of new products or technologies.

Traian Barbat: An efficient activity for product renewal and technology improvement assumes that the design phase is not separate but organically connected by the execution phase, a condition which is not met by a design institute. As our own experience has shown, the designers are dissociated from the interests of the enterprise, and are concerned solely with the completion of their projects in order to fulfill the plan and earn profits; they are less interested in whether their

designs meet the demands of the domestic or foreign market, result in prototypes, or are placed in fabrication. They do not take into account the time lost from mismatches between design and conditions of execution, a problem for whose solution we must place new orders and requests for approval of modifications.

Stefan Radu: Since they are not responsible for the economic efficiency derived from their projects, designers are not breaking their backs to find competitive approaches to construction and operation. Only when they are organically associated to the interests of an enterprise, are designers truly involved in finding and producing effective designs for competitive products.

Francisc Vass: Design activities would be more efficient if designers were rewarded as a function of the efficiency of the products fabricated according to their designs.

Spiridon Popescu: A primary requirement of our national economy is to reduce to a minimum the importation of technologies or licenses. But the domestic creation of the largest possible number of high efficiency technologies or new products involves a great deal of thinking, invention, and design. At the same time, the production of advanced technology goods, such as in the case of our enterprise, requires a strong design department.

Gheorghe Rizea: The fabrication of products at world standards of reliability, weight, efficiency, and so on, is one of the major criteria for assessing research and design activities.

It is true that some types of tractors, trucks, ball bearings, and so on, are produced to meet the standards of the world markets. For some types of tractors and trucks for instance, the consumption of metal and fuel is competitive with that found throughout the world. Similarly, the metal utilization index for some types of ball bearings, tools, electric motors, and others, is similar to that of such countries as Japan, FRG, and Sweden. Despite this, a number of products, such as some types of tractors or trucks, have a higher consumption of metal and fuel per horse-power.

Hence the imperative need to hasten the redesign of these products so as bring them to the performance levels encountered throughout the world. But this also imposes a radical change in our concept of product or technology renewal, which in my understanding means that product design or redesign must start with the function and usefulness of the product, thus leading to competitive goods with reduced specific consumptions. This in fact points to the decisive role of design, where construction and operation concepts assure savings of at least three-fourths in actual and invested labor.

Stefan Radu: At a time when extensive actions are being carried out in all areas of material goods production to introduce technical progress on a wide scale, the utilization of the workers' creativity is of outstanding importance. In this respect, I deem it necessary to improve the current legislation that regulates invention and innovation activities. The present law stipulates all sorts of formalities for validating an invention or innovation, formalities which call for an involved, bureaucratic process, as well as a great deal of time, all of which are not likely to stimulate interest in technologic creativity.

Ioan Murzea: Ten years ago, when this law did not exist, our enterprise recorded from 400 to 700 innovations and improvements per year. In recent years however, the number of innovations does not exceed 130 per year, even though the technologic potential of the enterprise has increased substantially. The major cause of the weakened interest in innovations is the rather cumbersome system for examining and approving innovations, combined with a poor vested interest. As a rule, it takes about one year for an innovation to be approved, and another one until a reward is awarded, assuming that the innovation is of particularly great interest.

Augusta Moldovan: It is significant that one leu spent to apply an innovation returns an income of 20 lei. This is eloquent proof of the efficiency of innovations and argues for improving the current legislation. The point is not only an income of 20 lei per leu spent, but rather the fact that the larger the number of inventions and innovations produced by workers, engineers, and technicians, the larger will be the savings in expenses incurred to promote and develop this activity.

Traian Barbat: I do not believe that it stimulates the technical creativity of workers, for the law in question to stipulate that each innovation be approved by a specialized research or design institute, which must advise whether the respective innovation is truly an innovation and does not exist elsewhere. This requires months and months for an approval, and after all this time we often receive written notice that the innovation "has no element of novelty" without any substantiation of this fact.

Augusta Moldovan: The present legislation does not provide for suggestions, which are thus no longer rewarded. Yet these proposals come directly from the production process, where workers involved in the technical processes find the need to make modifications to one or another product specification which designers did not foresee, modifications which result in significant savings of materials, energy, and manpower.

Today, when the stewardship of raw materials and the reduction of material costs per unit product have become vital, the inclusion of suggestions in the legislation would be a great incentive for workers' creativity, contributing directly to the formation of a different concept of production development and modernization.

Ioan Ungur: The new economic mechanism creates the most favorable conditions for the wide scale introduction of modern technology and for increased production profitability. But this does not occur by itself, but rather through an intensive political and organizational activity which assures the qualitative transformation of man and expands his training and knowledge. Hence the need for greater competence and responsibility on the part of party organizations. More than ever, there is a need not only for improved technologies, but also for a transformation in the concept we hold of professional mastery, technology and engineering, and the role of workers in promoting our own technologic creativity. Based on a plan formulated by the county party committee, each enterprise is conducting mass political actions to encourage competitive thinking which will result in the active participation of workers, engineers, and technicians in the introduction of new technologies, the formulation of optimum solutions for perfecting and raising the qualitative specifications of products, and the reduction of research-design-fabrication cycles. The quality of the results will be determined by the extent to

which political education actions initiated by party organizations will be closely associated with concrete conditions in enterprises, and will include clear objectives for cultivating a revolutionary spirit in promoting technology.

The most efficient stewardship of raw materials and the achievement of competitive specific consumptions for all products are primordial goals. Efficient management or high profitability for production are synonymous with achievements obtained in this respect. Party organizations and workers' councils can no longer be satisfied with savings of a few percent in raw material and in specific consumptions. The stewardship of raw materials and the reduction of consumptions must become a major factor in production management, and must polarize the concerns of workers' councils and all personnel in enterprises and in research and design institutes. That is why we are acting so that party organizations will adopt a totally new concept about the activity involved in modernizing and increasing the efficiency of production.

In militating to improve the technologic level of production, each enterprise can contribute directly to higher economic efficiency, and to the creation of a wealth of utilization values needed by the national economy.

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GDR WEEKLY SEES INCREASED IMPORTS OF FOOD PROCESSING MACHINERY

East Berlin DDR AUSSENWIRTSCHAFT in German Vol 8 No 44, 29 Oct 80 p 9

[Text] Thus far, the Romanian market for essential and nonessential foods and beverages and packing machinery (hereafter referred to as Nagema) has been marked by a high degree of self-sufficiency. Based on a long tradition of building milling, meat processing, baking, brewing and fruit processing machinery, production of food processing machinery was begun in three large enterprises at Cluj-Napoca, Timisoara and Toblet, as well as several smaller plants, and quickly rose from 8,350 tons in 1965 to more than 25,400 tons in 1979, thus surpassing in quantity the considerable production in this field in the CSSR and Bulgaria. Export, however, remained on a small scale.

Nagama Production Primarily for First Processing Phase

Nagama production covers a wide assortment of equipment, but the three large plants, Tehnofrig, Tehnometal and Magheru, concentrated from the beginning on solving problems and providing complete processing equipment for the Romanian food industry. However, production concentrated primarily--due, among other things, to the considerable diversification of the food industry--on machines and equipment for the first processing phase. Production and domestic market for equipment for the second processing phase or even higher processing techniques are still relatively small. Packing techniques and the utilization of modern automated packing machines as well as of specialized packing machines are still in the first stage of development.

With the beginning of the new 1981 to 1985 Five-Year Plan, the Romanian market for essential and nonessential foods and beverages and packing machinery is taking on new dimensions. This is the result of concentrated efforts to raise agricultural production. For the years 1981 to 1985, for instance, an increase in agricultural production from 24.5 percent (1976 to 1980) to 27.5 percent is planned. But it is not simply a problem of processing increased agricultural production, it is also at the same time a question of utilizing these products, which are produced increasingly by large-scale agricultural production managed in industrial fashion, rationally and economically. This necessitates the expansion and modernization of the food and beverage industries corresponding to the new dimensions of agriculture.

Increased further processing in the food and beverage industries goes hand in hand with the rising living standard of the 22 million inhabitants of the country which, in turn, is the realization of its main social-economic task. The eating habits of the population will change more quickly, especially since this process is connected with continued general industrialization and urbanization. New conditions have developed in the Romanian essential and nonessential foods and beverage industries which will necessitate the accelerated development of the second and even still higher processing phases as well as of packing techniques. This will result in a dynamically increasing demand for meat, delicatessen, cheese, sugar, candy, beverage, brewery, food and vegetable processing machinery, for equipment to produce baby food and instant food, for high quality canned food, etc. In addition, intensive efforts will be made in the Romanian restaurant business from 1981 to 1985. It is planned to equip 60 percent of all restaurants with modern cooking and food processing equipment, whereas right now only about one-third of all restaurants has equipment of this kind, most of it outdated. In conjunction with the planned increase in the tourist trade, extensive changes are also planned for the hotel business. Cooking, boiling and heat processing techniques in the food industry are likewise to be developed from the point of view of energy saving and heat recycling. A considerable part of the needed equipment cannot be produced domestically and must therefore be imported from CEMA countries and also from capitalist countries.

This means that (with proper consideration for the trade balance situation), in the eighties Romania might become a ready market for a wide range of Nagema assortments. Partners are being sought who, in cooperation with ever more efficient Romanian suppliers, engineering, building and installation firms, can offer solutions for problems of larger or smaller economization projects, and also for new investments. Romanian producers of complete byproducts such as energy equipment (steam engines, diesel engines, power transformers), cooling and refrigeration equipment, intraplant transportation equipment, pipelines, etc., are known to be competent sub-suppliers. It is expected that there will also be an extensive import market for specialized machinery.

Nagema Imports Relatively Small to Date

So far, Romanian Nagema import has been of limited size. It was considerably below imports in this field in comparable countries like Bulgaria, Greece, Turkey or--even more so--Yugoslavia. In 1977, Nagema imports amounted to only 9.1 million U.S. dollars, compared to 13.9 million U.S. dollars (Bulgaria), 21.5 million U.S. dollars (Turkey), 33 million U.S. dollars (Greece) and 84.3 million U.S. dollars (Yugoslavia) whereby, however, the special situation of Romania after the earthquake catastrophe of 1977 must be taken into consideration. In the eighties, proportions should be leveling off because the country's own Nagema production for the realization of ambitious tasks in the food processing industry in its entire spectrum will by no means be sufficient. So far, Romania has imported Nagema products primarily from other CEMA countries, first the USSR (dairy, cheese-making and slaughterhouse equipment), then Poland (complete sugar processing plants, equipment for candy production) and also the GDR (packing machines among others). During the last few years, the import of specialized machines from the FRG and Denmark has increased rapidly. The Danish firm Sanovo,

for example, supplied equipment for egg and poultry processing on a compensation basis. Compensation was made through the sale of Romanian agricultural products by an affiliated firm of the Sanovo group. Among the pieces of equipment supplied by the FRG were centrifuges for yeast and starch production, heat exchange equipment, brewing machines, special machines for meat processing, and filling assembly lines for beverages, as well as special packing machines (among them labeling and canning machines).

An important part of Romanian Nagema imports was based on credits which Romania received abroad. For this purpose, Romania published international bids for the realization of planned projects, and thereby secured, at the same time, through certain preferences (15 percent) and premiums the desired share of supply orders for its own industry, engineering and construction firms. Large projects of the Romanian food processing industry which are financed by IBRD credits are, for example, the construction of stock yards including the corresponding processing plants (1977 to 1980), and the construction of fruit and vegetable canning plants in the coming years.

Increasing Exports of Complete Nagema Processing Lines

Even though Romania has so far exported only small quantities of processing machines for essential and nonessential foods and beverages, it now makes more and more frequent appearances at international fairs and exhibits as a potential supplier. It offers, for instance, complete baking assembly lines (capacity: 10 to 1,000 tons), kneading and dough cutting machines, production lines for canning plants, brewing machines, meat processing machines (cutters, sausage pressing machines, equipment for the processing of bones and cattle intestines), assembly lines for the production of soft drinks with the capacity of 3,000 bottles per hour, type TIRL milk chilling plants, complete grist mills of smaller capacity and silos for 5,000 to 100,000 tons.

Successful was the participation of Romanian engineering, assembly and construction firms in the construction of complete plants in the food processing and cattle feed industries in the USSR and in Latin America, North Africa and the Near East. These activities must be considered as a transition of Romania toward more extensive cooperation in the Nagema field and toward the construction of complete food processing plants by Romanian general suppliers. Moreover, Romanian offers of specialized equipment demonstrate the technological progress of the country in the form of higher precision machines. As an example should be mentioned, among others, the collodial mill "Molacol" used for super-fine processing and homogenization in the food industry (capacity 1,200 to 1,900 kg/h) which is produced by the Tehnofrig Combine at Cluj-Napoca, or the DCA 25 air treatment assembly for use in the pharmaceutical or food processing industries, produced by the same combine.

Romanian Nagma Production and Import

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u> ¹
Production (in 1,000 t)	22.7	25.1	24.9	23.1	25.4
Import ² (in U.S. dollars million)	22.5	17.9	9.1	17.0	18.0
Packing Machines	8.8	5.3	2.0	5.0	--

¹ Data available to date, or estimated

² Export (fob or cost-free transportation to border) by socialist and nonsocialist countries to Romania

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